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In Scarred L.A., Political Fallout as Curfew Is Lifted

White House Blames the Unrest On the Democrats and Welfare

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — The White House on Monday said welfare programs had caused the rioting in Los Angeles, the deadliest of the century, asserting that the "destructive forces" created by Democratic social programs of the 1960s and 1970s were at the root of the disturbances.

"We believe that many of the root problems that have resulted in inner-city difficulties were started in the '60s and '70s and that they have failed," the president's spokesman, Marlin Fitzwater, said.

Because social programs "ignored" what he called the need for pride in community, "we are now paying the price," he added.

The Los Angeles coroner reported Monday that the death toll from the rioting had risen to 55, which made the city's racial disturbances the worst of this century, surpassing the East St. Louis race riots of 1917, in which 48 people were killed. (Page 6)

Los Angeles was calm Monday as commuters crowded onto freeways, children returned to classrooms and a nighttime curfew was lifted.

Mr. Fitzwater declared that the social programs created in previous Democratic administrations are "still the programs that are in effect, and we've been pushing the liberal Democratic Congress to pass these others, and we couldn't get them.

"Those who would try to come up with social programs that redistribute the wealth or that deal with the direct handouts or create programs of the '60s and '70s we believe are wrong.

"We believe it requires a conservative agenda that creates jobs and housing and home ownership and involvement in the community."

The comments were the first from the White House about possible political solutions to urban needs since riots in Los Angeles that left 55 people dead and nearly $1 billion in property damage.

Mr. Fitzwater, questioned by reporters, declined to name any single program that had failed or succeeded. Asked whether such programs as Aid to Families With Dependent Children, Food Stamps and Medicaid had failed, Mr. Fitzwater said that the support they give is necessary, but that "changes" are needed.

The president's spokesman sought to convey broadly that government policies spawned in the "Great Society" years of President Lyndon B. Johnson and continued under Presidents Richard Nixon, a Republican, and Jimmy Carter had left the urban poor with no stake in their community — particularly no jobs and no homes they could call their own.

There is a growing consensus that direct payments under the nation's welfare system have not cured poverty, and may not do so. But the White House analysis seemed certain to prompt denunciations from Democratic leaders who have championed anti-poverty programs and urban aid at a time when President George Bush and his predecessor, Ronald Reagan, sought to cut federal spending for cities.

The White House's conservative prescription

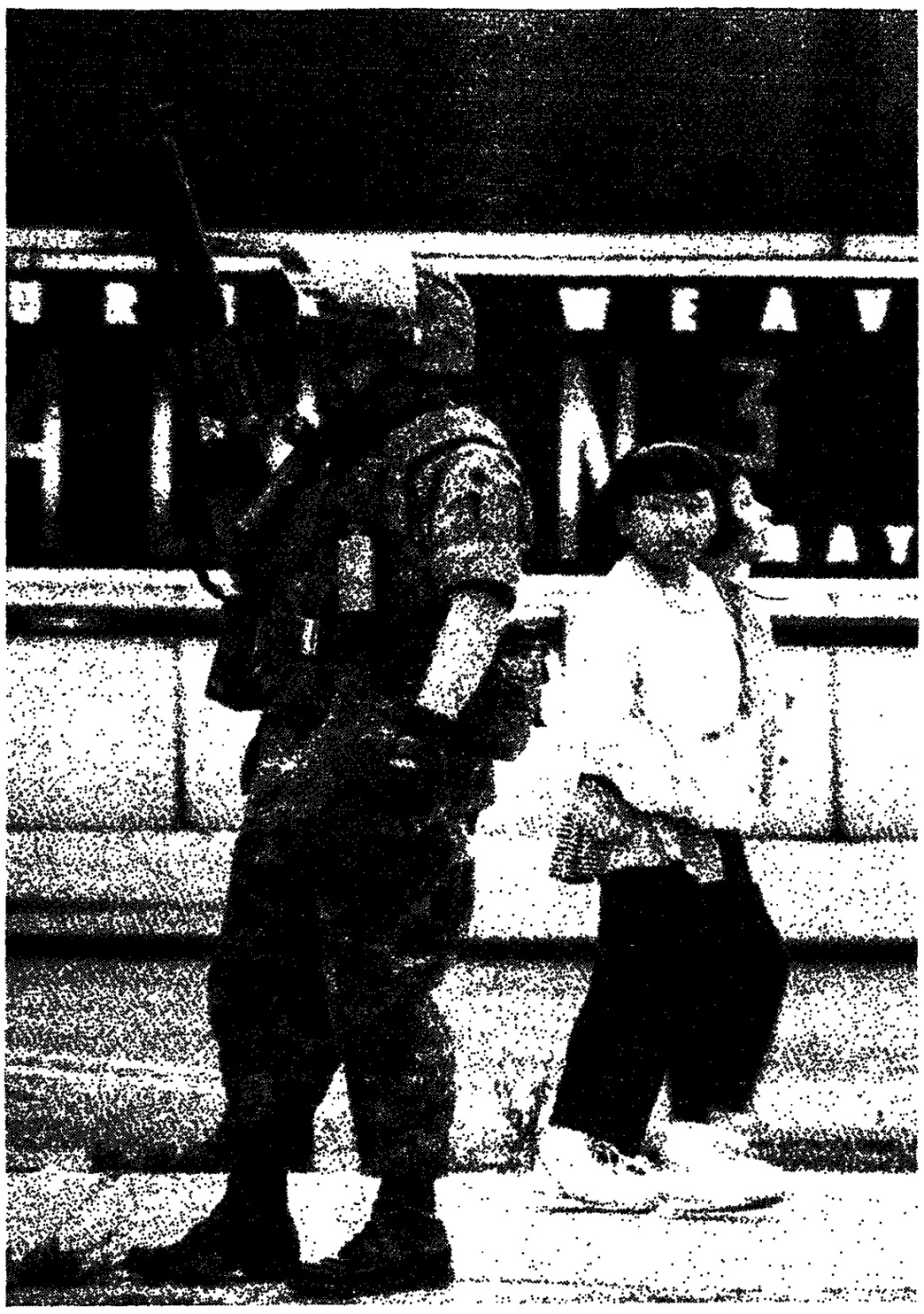
See BUSH, Page 7

Aftermath in L.A.

Bill Clinton urged the country to "make some good" come from the riots. Page 7.

Residents of Simi Valley resent being considered — and called — racists. Page 7.

California's recession-hit economy faces a bleaker future. Page 11.



John Gaps 3d/The Associated Press

Two youngsters walking past a guardsman in the riot-damaged area of Los Angeles, where schools reopened on Monday.

Reduced U.S. Social Spending Fanned the Embers of Bitterness

By Edward Walsh
Washington Post Service

CHICAGO — Just as they did more than a quarter-century ago, televised scenes of burning buildings and rampaging mobs of looters in Los Angeles have delivered a powerful reminder that parts of many of the nation's big cities are deeply troubled places where poverty, crime and racial strife form an explosive mix.

But unlike the 1965 riots in the Watts section of Los Angeles, the violence and mayhem occurred at a time of diminished government resources to confront urban problems and of eroded public confidence in the federal government's ability to solve problems.

"There ain't no magic wand in Washington on urban policy," said Ed Marciniak of the Institute of Urban Life at Loyola University in Chicago.

Such skepticism has been encouraged by the Reagan and Bush administrations.

During the 1980s, the general revenue-sharing program, which had begun in the Nixon administration and at its peak provided almost $7 billion to state and local governments, was eliminated. So, too, was the Urban Development Action Grant program.

According to figures compiled by the Center on Budget and Policy Priorities in Washington, between 1981 and 1992 U.S. spending adjusted for inflation fell 82 percent for subsidized housing, 63 percent for job training and employment services, and about 40 percent each for the community development, community service and social service block grant programs.

NEWS ANALYSIS

In a 1991 survey of 50 cities, the U.S. Conference of Mayors found that during the 1980s, while city budgets rose an average of 95 percent, the U.S. contribution to those budgets declined from 17 percent of spending in 1980 to 6 percent in 1990.

Mayor Raymond L. Flynn of Boston, a Democrat and president of the conference, said after the riots that the administration and Congress should convene a National Commission on Urban Neglect to propose new approaches to

See NEGLECT, Page 7

Bonn Says It Is Ready To Increase Wage Offer

As the Strike Widens, Union Officials Vow To Maintain Pressure

By Richard E. Smith
International Herald Tribune

FRANKFURT — The German government said Monday that it was ready to sweeten its pay offer for public workers as their strike entered a second week and expanded sharply.

Both sides agreed to return to the bargaining table on Wednesday in Stuttgart, but union officials said that the strikes would continue and expand until an "acceptable" solution was found.

Major airports were hit by the strike for the first time on Monday, which severely crippled operations in such cities as Berlin, Hamburg and Munich. Frankfurt International, the Continent's busiest airport and an international transfer hub, was spared during the day on Monday but was due to close at midnight for at least 24 hours.

The government would not give details about its new offer, but officials hinted that it might involve a sliding scale with higher wage settlements for lower-income workers.

Some government negotiators have planned such a strategy for some time, hoping to divide the ranks of the unions and to limit expensive across-the-board settlements for many long-serving public workers who already earn high wages.

The unions, which claimed that the number of strikers more than doubled to more than 300,000 on Monday, said the number would rise further on Tuesday.

After eight days of strikes, heaps of garbage were growing throughout the country, raising concerns about rats.

Millions of undelivered letters and packages continued to pile up in post offices, local transport remained paralyzed in many cities, and long-distance rail schedules were spotty and prone to delays.

Traffic jams stretched for kilometers near many urban centers but police officials in some cities said that growing use of car pools and bicycles has eased congestion.

With the second wave of strikes beginning this week, targets were expanded to include rail freight traffic and many more publicly run facilities such as schools, rest homes and kindergartens.

On Tuesday, some 4,000 workers in eastern Germany also entered the fray as local transport workers in the eastern sector of Berlin struck in sympathy with their colleagues in the western part of the city. Workers in eastern Germany are not directly affected by the current strikes.

Monika Wulf-Mathies, chief of the major striking union, said the government "had apparently seen at last that it was not getting anywhere with its blockade."

Government negotiators issued a statement saying that they "are now ready to restart negotiations at any time and to present an offer which represents an improvement from the previous offer, especially as far as lower income groups are concerned."

The government has previously held to an offer of 4.8 percent wage increases and the unions are asking for 9.5 percent. The government turned down a mediator's proposal of 5.4 percent which the unions had accepted.

The government, battling with inflation and the high costs of reunification, is anxious to hold the agreement below 5 percent and Chan-

See STRIKE, Page 2

Germany will unveil a budget plan that underlines its hard-line stance on spending. Page 11.

Kiosk

Dow Ends at Record As Fears Wither

NEW YORK (UPI) — Wall Street stocks rallied on Monday as computer-driven trading strategies overturned the riot-induced decline on Friday, and the Dow Jones industrial average rose more than 40 points to a record high.

Activity in the New York financial district wound down early Friday as many brokerage houses let their staffs leave because of fears of violence related to the riots in Los Angeles. This created inefficiences in pricing that were exploited by program traders Monday, analysts said. The Dow rose 42.04, to 3,378.13. (Page 12)

Dow Close
Up 42.04
3,378.13

The Dollar
In New York

DM	1.647
Pound	1.7785
Yen	133.20
FF	5.5525

General News

Algeria sentenced 13 Muslim fundamentalists to death. Page 2.

Bosnian forces returned 90 Yugoslav troops to the United Nations. Page 2.

Business/Finance

Kuwait's spending spree could land it in debt, economists fear. Page 11.

Crossword Page 19.

With a Survivor's Calm, Clinton Looks to November

By Robin Toner
New York Times Service

WASHINGTON — Bill Clinton says he will not be another Michael S. Dukakis. If President George Bush's press secretary wants to throw around slurs like "Slippery Bill," as he did last week, Mr. Clinton says he will counter.

Very quickly, he demonstrates: Mr. Bush could be the "poster child of 1992 on slickness."

But in an interview last weekend, the Arkansas governor and likely Democratic presidential nominee talked of bigger challenges than holding his own in partisan sniping. Before he can translate discontent into Democratic votes, he said, he must overcome the public's powerful distrust of politics and politicians.

He said he needed to make people believe that he, not Ross Perot, the Texas businessman considering an independent candidacy, was the best vehicle for change. He said he needed to connect with people who knew nothing about him and were inclined to believe the worst about any politician, including one dismissed by critics as "Slick Willie."

Still, interviewed near the midpoint of this election year, Mr. Clinton looked back on a brutal primary season, and ahead toward what is expected to be a tough general-election campaign, with the gritty calm of a survivor. He even talked of the onslaught of personal charges last winter, from avoiding the draft to marital infidelity, as a learning experience.

"I hate to say it, because it's been so painful, but all this stuff has been very educational to me," he said. The most important thing he learned, he said with a slight smile, was "that I'm tough enough to be president; if I ever doubted it, I don't now."

The Republicans, Mr. Clinton acknowledges, are almost certain to campaign against him as a man too risky, too untested to lead, as they campaigned against Mr. Dukakis, the Democratic nominee in 1988. But Mr. Clinton says he has a simple counter-message about the risk of four more years of Mr. Bush.

"They are presiding over serious economic decline and social disintegration, and they have no plan to do anything about it, and they don't even believe that they should," Mr. Clinton said. "They are basically people who have an idea of governing and leading that in my view is totally out of step with the times."

Mr. Clinton talked of a second Bush administration with barely disguised contempt.

"He would give us a little more of this, a little more of that, he'd tack around this issue and that issue," he said. "America will continue to

See CLINTON, Page 7

Soviets Dumped Nuclear Waste in Arctic Waters

By Patrick E. Tyler
New York Times Service

MURMANSK, Russia — For three decades the nuclear-powered Soviet Navy and icebreaking fleet have dumped much of their radioactive waste in the Arctic, the Russian authorities now acknowledge.

The dumping, in the shallow waters of the Barents and Kara Seas, has potentially serious consequences for the Arctic environment.

At greatest risk for Norway and Russia, two of the world's biggest fish exporters, are the bountiful Arctic fishing grounds.

Radioactive contamination in the shallow seas, where the marine food chain begins, could contaminate the fish population and endanger the industry, Norwegian and Russian officials said.

Norwegian scientists who have been testing the Barents and Norwegian Seas for several years have detected no significant radioactive contamination in the water or in fish.

But the director of the nuclear-energy safety authority in Oslo said waters near the dumping sites had not been tested and sunken waste containers could pose a serious environmental threat over decades as they begin to leak.

Reports about the dumping practices were first made last fall by a member of the former Soviet Parliament who is a radiation engineer with the state company that operates the icebreaking fleet.

The charges became more detailed through the winter as other witnesses stepped forward after the collapse of the Soviet Union.

After meetings last month between Russian and Norwegian government officials, Russian environmental authorities told their Norwegian counterparts that the reports were essentially correct and that they would cooperate in what could be a huge and costly international cleanup effort.

The first scientific expedition to map the dumping sites and test for contamination is to start July 10, with 20 researchers from six countries aboard a Russian ship.

"At this stage, we would like to go down to the bottom with diving equipment and really see the waste itself," said Knut Gussgard, Norway's nuclear safety director. "We would like to see whether it is barrels or parts of submarines and reactors and we would like to

See DUMP, Page 2

North Korea Opens Up, but Not Much, for a Group of Foreigners

By T. R. Reid
Washington Post Service

CHONGJIN, North Korea — With a menacing look in his eyes and a "make-my-day" snarl on his lips, the soldier shouted "*Set! Set!*" — "Halt! Halt!" — and reached back for the rifle strapped over his shoulder.

It was like a scene from the overwrought Korean War movies that play endlessly on television here, except this time the "enemy" confronting the North Korean soldier was a handful of foreign tourists, armed only with cameras.

Having paid $3,900 apiece for a one-week tour of this intensely secretive country, the travelers were walking across the street to a department store when the soldier stopped them. The store, it turned out, was not on the approved itinerary, which was to be preserved up to the point of armed force.

Scenes such as this popped up often recently after North Korea's Communist regime took the unprecedented step of permitting about 100 foreigners to travel virtually the length of the country, visiting a nation that no Westerner has been allowed to see in more than 40 years.

Aboard a clanking, wheezing old train that chugged for 40 hours through majestic mountain passes, impoverished rural villages and severely polluted industrial sites, the group traveled north from Pyongyang to the Tumen River basin, where the borders of North Korea, Russia and China meet.

At this point, economically staggering North Korea hopes to get foreign investment to build a free-trade zone. It was the need for investment and trade — indeed, for any kind of foreign assistance — that prompted this tightly closed country to open its interior to the group of American, Japanese, Chinese and South Koreans who made the long trek.

"Look, they don't like this, having outsiders see their country," said Cho Lee Jay, a Korean-American scholar who has championed the idea of developing the Tumen River. "But the economy is in shambles. They need foreign investment. This corner of the country is far from Pyongyang. They think that can give it a kind of market economy, like the Chinese have done in Guangdong, without admitting that socialism hasn't worked."

Despite the ubiquitous posters, statues and shrines here praising the glories of Kim Il Sung, the totalitarian ruler known to all North Koreans as "the Great Leader," this nation of 21 million is in desperate condition.

For the first time, the regime admitted its problems publicly during the foreigners' visit. In a news conference Saturday, Kim Dul Hyon, the deputy prime minister for economic affairs, said the country needed foreign money "for our own survival."

"We can no longer export our goods to the former Socialist countries, and we cannot buy oil and other resources from them in time" to meet current needs, Mr. Kim said.

He said Kim Il Sung's constant refrain of "self-reliance" is still the government's watchword. "We never beg," he added, but we just want foreign countries "to be generous."

Mr. Cho, an economist at the Honolulu-based East-West Center, said the state needed hard currency so badly that even the income from this single group tour became a matter of importance.

The travelers included government and business officials from countries that might use a

See TOUR, Page 2

Holiday Visions Of Sunny Shores End at Airport

By Marc Fisher
Washington Post Service

COLOGNE — Beate Kurz and Linda Waldenberg arrived at the airport here on Monday ready for what they had been dreaming of every day of the dreary, gray German winter — a month in the sunny Canary Islands.

Instead, they spent the day at the shuttered Cologne-Bonn International Airport, victims of the longest, most paralyzing strike in German postwar history.

"This is really quite extreme," Miss Waldenberg said. "We've had a week of this already — garbage piling up, no railroads, no mail. Why doesn't the government give in already?"

Her friend was considerably less sympathetic to the 2 million members of the public-sector union, which Monday dramatically pumped up the pressure for a 9.5-percent raise by shutting down airports, public transit, and nonemergency hospital services.

"The only thing these union people care about is their pay," Miss Kurz said. "Millions have to suffer because a few want something for themselves. They'll get what they want because they can shut down the country, but it's not right."

The weeklong action by garbage haulers has produced the non-German sight of overflowing trash bags and even rats on city streets. Traffic reached new heights as the union succeeded in shutting down not only air travel and intercity rail, but also local transit.

The strike was only the most palpable of Chancellor Helmut Kohl's headaches. His decade-old ruling coalition seemed ever closer to collapse, as the Bavarian Christian Social Union, usually his most loyal partner, warned him to move boldly on major problems or face the end of his government.

And Hans-Dietrich Genscher, who last week

See STRANDED, Page 2

An Algerian Court Sentences 13 Fundamentalists to Death

By Youssef M. Ibrahim
New York Times Service

PARIS — An Algerian military court issued death sentences on Monday to 13 men linked to an outlawed Muslim fundamentalist opposition party.

The men, on trial under martial law rules, were found guilty of attacking an army post near the Tunisian border in November. Three soldiers were killed and, the government said, mutilated by the accused.

One of the 13, who is a fugitive, was condemned in absentia.

It was the first major trial of opponents of the military-backed Algerian government that took power in January after a coup forced President Chadli Bendjedid out of office and replaced him with a state council headed by Mohammed Boudiaf.

The trial was the latest installment in a campaign that began in January against Muslims. Since then, the government has banned the Islamic Salvation Front, Algeria's principal opposition party, after canceling parliamentary elections won overwhelmingly by the party. The government has also jailed virtually all the Front's top leadership and placed at least 9,000 of its middle-level officials in five detention camps in the Algerian desert.

Before it was silenced by the wave of arrests, the Front had been asking for a return to free elections and the removal of the current government.

Until February, the Front denied any responsibility for killings of army or police soldiers. But in late March it appeared for the first time to take responsibility for the assassination of two army soldiers in Algiers, and it has hinted ever since in underground communiqués of plans for more armed resistance.

Armed clashes between government forces and fundamentalists have resulted in the deaths of at least 31 Algerian soldiers or policemen. At least 70 fundamentalists are known to have been killed as well. But the movement continues to maintain that none of its members were responsible for the killings at the border post.

The government appears also to have cracked down on both the foreign and Algerian press. Last week, the resident correspondent of the French daily Le Monde, Georges Marion, was expelled. Several Algerian journalists have been arrested, and the premises of other newspapers, particularly those affiliated with the Islamic movement, have been searched by the police and security forces.

In January, eight journalists from the pro-fundamentalist El Khabar were arrested and then released after an investigation. In March, the editor of an independent, critical weekly, L'Hebdo Libéré, was jailed for two weeks.

Much of the independent press, which burgeoned during the two years of liberalization that preceded the January coup, has zeroed in on the performance of Prime Minister Sid Ahmed Ghozali and his government. Mr. Ghozali was a principal figure in bringing about the coup, along with senior army generals.

Since January, Mr. Ghozali has failed to fashion a comprehensive economic and social program to deal with the country's structural problems.

90 Yugoslav Troops Returned by Bosnia

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — Bosnian forces Monday handed over to UN peacekeepers a group of 90 Yugoslav troops captured in an ambush in Sarajevo after the federal army demanded their return, UN sources said.

The Bosnians also agreed to release 84 more soldiers taken prisoner during fighting with the Bosnian Territorial Defense Force.

The army threatened to kill a detained bodyguard of the Bosnian president, Alija Izetbegovic, if the soldiers were not released, according to the European Community envoy, Colm Doyle.

The troops were seized on Sunday while evacuating their headquarters under a safe passage negotiated by UN and EC officials. The army said four soldiers were killed in the attack.

The Bosnian leadership has not admitted the casualties but said: "We regret there was some shooting. It was not on orders of the territorial defense; it was by men who acted in response to what had been done to the city by Kukanjac."

That was a reference to the recent heavy bombardment of Sarajevo, which the Bosnian side blames on federal army units led by General Milutin Kukanjac, its commander in Bosnia.

The UN sources said the men released were being taken to the army's Lukavica barracks near Sarajevo airport. There was no immediate word on the fate of the presidential bodyguard.

The ambush of the evacuation convoy came during a weekend of heavy fighting between Serbs and Muslims in Sarajevo. Fighting continued Monday, and witnesses reported an artillery battle along the Miljacka River between the parliament building and the railroad station. Three federal army planes dropped flares near a Sarajevo television transmitter outside the capital, the witnesses added.

Later, heavy shelling resumed in central Sarajevo.

Croatian radio reported that Yugoslav Air Force planes had attacked the southwestern town of Mostar with rockets on Sunday night for the first time since the fighting began eight weeks ago. It said one person had been killed and 11 wounded in the attack, of which it gave no more details.

A meeting between President Izetbegovic, who was released from 24 hours of army custody Sunday night, and General Kukanjac, who had been trapped in his headquarters, was postponed because the two sides apparently could not agree where or when to gather.

Marrack I. Goulding, the latest senior UN envoy to join the peace efforts, arrived in Belgrade on Monday and called the situation "very serious." *(Reuters, AP)*

The Associated Press

Soldiers trying to cope on Monday as angry Belgrade residents forced their way into the Federal Defense Ministry to demand that their children, serving in the federal army in Bosnia-Herzegovina, be allowed to return. Some 200 parents were involved in the struggle.

Rockets Hit Kabul, Top Rebels Arrive

Compiled by Our Staff From Dispatches

KABUL — Three senior Afghan guerrilla leaders arrived Monday in Kabul, as at least 30 rockets fired by a rival guerrilla chief killed 13 people and wounded 77.

Kabul radio reported that all the casualties had been caused by rockets fired into the city by forces loyal to a hard-line guerrilla chief, Gulbuddin Hekmatyar.

The noise of the rocket explosions was joined as night fell by the sound of hundreds of weapons being fired to welcome the newly arrived leaders.

Kabul's night sky was illuminated by tracer bullets, anti-aircraft shells and rocket-propelled grenades exploding in the air as Burhannudin Rabbani, Mowlavi Nabi Mohammadi and Abdul Rasul Sayaf drove in at the head of hundreds of vehicles.

Thousands of jubilant people lined the route to the office of the new head of the Islamic government, Sibghatullah Mojaddidi, many of them carrying flowers.

The three leaders had driven from their base in the Pakistani frontier city of Peshawar with the Shiite Muslim leader, Ayatollah Asif Mohseni, and the chief of Afghanistan's Wahabi sect.

With them were also senior representatives of Mr. Hekmatyar, whose forces fired at least 30 rockets at the capital on Monday to underscore his opposition to the Mojaddidi government.

Mr. Rabbani, whose main field commander, Ahmed Shah Masoud, was largely responsible for the collapse of the former government, congratulated the heroes of the "holy war" and prayed for the survival of the Islamic government.

The presence of the guerrilla leaders will bolster Mr. Mojaddidi in his struggle with Mr. Hekmatyar but could result in more of the factional fighting that a complex negotiating formula was designed to avoid.

The rocket barrage began during the night in the south of the city, where government forces responded by bombarding what they said were rebels advancing on the city.

Government shells could be seen bursting on the crest of a ridge overlooking the southern approaches to Kabul, and heavier firing was audible farther away.

Columns of dust and smoke rose over Kabul as shells or rockets, *apparently fired by Mr. Hekmatyar's forces*, hit the center and areas around the airport. Six landed around the Red Cross delegation.

Mr. Hekmatyar said over the weekend that he would go back on the offensive against the Kabul government unless his demands for the removal of militia forces and for political changes were met.

Meanwhile, concerns intensified about the interim government's ability to prevent reprisals against former officials of the deposed regime. *(Reuters, AP)*

Islamists Cork The Liquor at A Kabul Hotel

Reuters

KABUL — Mujahidin leaders closed the bar at a leading hotel on Monday as they clamped Islamic law on the capital after 14 years of godless Communist rule.

The Islamic Society group, led by the new defense minister, Ahmed Shah Masoud, ordered the Intercontinental Hotel to stop selling alcohol, a hotel staff member said. The group has controlled the area around the hotel since Kabul fell last week.

The management had argued that only foreigners used the hotel, because at $100 a night it was too expensive for local people. The argument was also made that as an international hotel it should continue to serve alcohol — at least to non-Muslim guests.

"But they refused and told us to stop serving alcohol right now," the staff member said.

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U.S. Has Record of Dumping Nuclear Waste

New York Times Service

The Soviet Union was not the first nation to discard its radioactive wastes at sea, but dumping by Britain, Japan, the United States and other nations has been limited to material with a lower level of radioactivity than what the Soviets are believed to have dumped.

Much of the dumping by the United States and several European countries has been at a deep-ocean site in the northeast Atlantic monitored by the International Atomic Energy Agency.

Nations that signed an anti-dumping convention agreed to a moratorium on the dumping of radioactive material in 1983. This moratorium is still in effect.

In the early years of the U.S. nuclear submarine program, captains would at times flush the radioactive coolant waters from their reactor plants directly into the sea, but the practice ended in the early 1960s, a former submarine commander said.

Admiral Hyman G. Rickover, an early promoter of nuclear propulsion, realized that inattention to safety could undermine political support for naval nuclear power. Rigorous controls for handling radioactive wastes were introduced in the late 1960s and early 1970s.

From 1946 to 1970, the Atomic Energy Commission supervised the disposal of about 107,000 drums of low-level radioactive wastes off the Atlantic and Pacific coasts, according to the commission's history and a report by Daniel P. Finn for the Senate Intelligence Committee.

Some radioactive waste containers were dumped in the 1950s in 300 feet (90 meters) of water 12 miles (20 kilometers) from Boston Harbor, and other containers were dumped around the Farallon Islands off San Francisco.

U.S. ocean dumping of low-level radioactive wastes ended about 1970 with passage of the Marine Protection, Research and Sanctuaries Act.

—PATRICK E. TYLER

DUMP: *Soviets May Have Contaminated Rich Arctic Fishing Grounds*

(Continued from page 1)

take measurements and samples, because we are concerned about future contamination from really big sources over 10 to 100 years."

Norwegian authorities say fish-testing near Norway's waters has shown radioactive contamination that barely registers and may be attributed to contamination from such sources as atmospheric testing and the Chernobyl disaster.

Some of the worst dumping occurred in the 1960s and 1970s, but radioactive wastes were dumped throughout the 1980s. The Soviet Navy's dumping continued until last year, said Andrei Zolotkov, a radiation safety engineer at Murmansk Shipping Co., the state enterprise that operates the nuclear-powered icebreakers.

He first researched and compiled the dumping allegations while a member of the parliament.

Other officials suspect that some dumping may still be going on, although in 1976 the Soviet Union signed an international protocol outlawing dumping in shallow seas.

One account of the dumping given to international environmental organizations by Mr. Zolotkov indicates that at least 12 nuclear reactors were disposed of in shallow gulfs off Novaya Zemlya, the large Arctic islands that the Soviet Union has used as a nuclear test range since the early 1950s.

A complete submarine that suffered a major reactor accident is believed to be sunk near the islands, along with still radioactive sections of other submarines.

Mr. Zolotkov said in an interview that three of the reactors from the first nuclear-powered icebreaker, Lenin, were encased in an epoxy-like substance and then blasted through the hull of the ship to the bottom of a shallow gulf off Novaya Zemlya in 1967.

About half of the dumped reactors went to the bottom with their highly radioactive nuclear fuel still inside, according to the information collected by Mr. Zolotkov.

Thousands of containers of solid radioactive wastes from the navy's northern fleet and icebreakers also were dumped. In cases where they would not sink, seamen were said to have cut holes in the "sealed" containers so that they would.

Russian officials do not dispute the dumping accounts. Some officials said in interviews that they believed environmental investigations now being planned would bear out the allegations, which are based on ships' logs and witnesses.

"No one knew the scale of the operations carried out over 25 years," Mr. Zolotkov said. "No one tried to survey all of the materials and study the consequences."

The Norwegian defense minister, Johan Jorgen Holst, referred to the more immediate threat to the region's economy.

"If the rumor gets around that Norwegian and Russian fish are contaminated with radioactivity," he said, "we aren't going to sell many fish."

The dumping allegations have broken the traditional military grip on the area. In a meeting with Norwegian officials in Moscow two weeks ago, Russian officials agreed to assemble the first inventory of radioactive-waste sites in Arctic waters and present it to Norwegian officials in May.

From July 10 to Aug. 6, scientists from Russia, Norway and four other countries will undertake the expedition to locate and map dozens of underwater dumping sites. They will also take samples of the seabed and marine life to test for radioactive contamination.

TOUR: *North Korea Opens Up, but Not Much, for a Group of Foreigners*

(Continued from page 1)

free-trade port at the mouth of the Tumen. They included a dozen elderly Japanese who had grown up in North Korea before World War II, when it was a Japanese colony, and who jumped at the chance to return. To fill seats on the train, publicity-shy North Korea even allowed 38 journalists, mainly from the United States and Japan, to see what no outsider has seen since the end of the Korean War.

Because of the armed soldier here and a legion of tour guides who vigorously shut off access to ordinary people, the travelers saw this unknown country mainly as scenery.

What they saw was ruggedly beautiful countryside, splendid vistas of the sea from forested headlands, and rural people whose daily life looks dreary and difficult. There were no signs of people starving or living in the streets, but the standard of living seemed poor.

Pyongyang, the capital, has been built as a showcase for foreign visitors, with enormous and elaborate public buildings, parks and pavilions honoring the "Great Leader." People in the capital appear healthy and adequately dressed.

Outside the capital, there aren't many showcases. The cities are drab collections of gray concrete buildings with broken windows and falling roofs. Rural villages consist mainly of closely packed ramshackle huts surrounded by fields where people were plowing behind oxen. There are few paved roads and almost no vehicles except the occasional army truck.

In the country, nearly every home is surrounded by rows of tall sticks, where people grow the bean vines that make up for an insufficient rice crop. Piles of dung have been gathered in the rice fields. United Nations officials here said North Korea can no longer afford to buy chemical fertilizer.

There are countless coal mines, and even the smallest is guarded by soldiers — to prevent people from looting the coal for heat, as the deputy prime minister conceded. Many hillsides have been clear-cut of trees, evidently for heating fuel. Every village the train passed had electricity, but few homes had even a single light on after dark. Even in the cities, there were almost no shops and little visible economic activity.

In most of the country, the only spots of color are the huge multicolored posters with scenes of Kim Il Sung and slogans like "What the Great Leader Decides, We Will Do!"

STRIKE: *Bonn's Sweeter Offer*

(Continued from page 1)

cellor Helmut Kohl repeated his resolve to do so as recently as last week.

Miss Wulf-Mathies voiced some understanding on Monday for the idea of limiting wage gains for high-income public servants, making it seem likely that Wednesday's talks may quickly focus on this approach.

The strike at Frankfurt airport was widely expected to give unions the most leverage in calling attention to their demands. Only London has a busier airport in Europe and Frankfurt is a frequent hub for travelers flying between North America and destinations throughout the Eastern hemisphere. Nearly 80 percent of the airport's 12,000 employees are unionized and many categories of workers, notably fire fighters, are expected to join in the strike.

Lufthansa, which installed 20 hot lines to advise passengers, told clients to arrive at least three hours early for flights. Many passengers were bused to locations outside of Germany to make connections on Monday and passengers in western Berlin were taken to eastern Berlin for some flights.

The labor climate was further strained Monday by the threat of warning strikes by the printers' union, traditionally one of Germany's more militant. The union has asked for wage increases of 11 percent.

STRANDED: *Strike Clouds German Vacation Plans*

(Continued from page 1)

resigned as foreign minister after 18 years in office, said that his decision was "a signal to all political powers — government or opposition — to devote themselves more clearly to the challenges of inner unification."

Mr. Genscher said the fate of the government now rests on its ability to brings Germans of East and West together.

The German press, never a fan of Mr. Kohl, has exploded in its most virulent criticism of the chancellor to date. "How Much Longer?" asked the headline in Der Spiegel.

"This coalition is rotten to the core," said Munich's Süddeutsche Zeitung.

"Germany in spring '92 — everything's going to pot," said an editorial in Bild, the popular paper. "Strike, chaos, asylum catastrophe, poverty, financing the East. The coalition is talking itself to death."

Economic problems — soaring public debt, rising inflation and interest rates, a trade balance headed in the wrong direction — have collided with social and political strife stemming from the unexpectedly trying reunification to spoil the shine on Mr. Kohl's successes of 1989 and 1990.

In addition, a variety of legal deadlines require the government to solve several vexing issues by the end of this year, including legalization of abortion, reform of the country's political asylum law, and approval of the treaty on Europe.

The chancellor left Bonn on Monday for New York, where he is to speak to the American Newspaper Publishers Association and hold talks at the United Nations. His trip immediately drew fire from union officials and others who said he should stay home during the crisis.

Although Mr. Kohl and most political observers in Bonn still dismiss the idea of a collapse of his coalition, some members of the opposition Social Democratic party are now talking openly about a grand coalition between the two major parties.

WORLD BRIEFS

50,000 Rally Against Thai Leader

BANGKOK (Reuters) — About 50,000 people demonstrated Monday evening against the appointment of General Suchinda Kraprayoon as Thailand's prime minister.

Earlier, the leader of the opposition Palang Dharma Party, Chamlong Srimuang, said he would stage a hunger strike in front of the National Assembly until General Suchinda resigned.

The general, who overthrew the last elected prime minister in a 1991 coup, took over the post on April 7. A rally on April 20 drew more than 50,000 people and the opposition has vowed to hold another mass protest on Wednesday, when the government is to make a policy statement.

Rangoon Frees 10 More Prisoners

BANGKOK (Reuters) — Burma's military junta said Monday it had released 10 more political prisoners, including a popular author, Min Thainkha, and four members of the main opposition party, the National League for Democracy, official radio said in a report monitored here.

The releases brought to 58 the number of dissidents reported freed since the junta changed leaders on April 23 and pledged to release political prisoners not deemed a threat to national security. Diplomats and rights groups estimate the junta has detained thousands of opponents since it came to power in 1988.

Rights Group Assails Jail in Lebanon

JERUSALEM (WP) — Prisoners held by the Israeli-backed South Lebanese Army militia in Khiam Prison in southern Lebanon have been tortured and ill-treated, according to a report issued Monday by the London-based human-rights group Amnesty International. It asserts that the 200 prisoners are cut off from the outside world and apparently are not subject to any legal process.

In a study based largely on interviews with former detainees, Amnesty charged that the mostly Lebanese inmates in the camp, which lies inside the strip of Lebanon that Israel controls as a security zone, "may have been involved in violence against Israel" and its Lebanese militia.

For several years, Israel has been trying to exchange the Khiam inmates, who include fighters of the Hezbollah, or Party of God, for Israeli servicemen missing in Lebanon. Israel has consistently denied responsibility for Khiam.

Israel TV Forced to Reschedule Show

JERUSALEM (Reuters) — State-owned Israel television bowed to government pressure on Monday and rescheduled an investigative program ahead of next month's election.

The program angered Prime Minister Yitzhak Shamir's Likud party by highlighting what it called corruption in the Housing Ministry run by Ariel Sharon and the cold-blooded killing of Palestinians by undercover army units. Mr. Sharon and the army have denied the charges made in the program.

Some ministers maintained the program was designed to sabotage Likud's chances of fending off a strong Labor Party challenge in the June 23 general election. The program is to be rescheduled from Friday to Thursday or Saturday, which will cut its normal audience of 1.7 million by half. Many Israelis watch television on the Friday sabbath when most other entertainment is closed.

TRAVEL UPDATE

Unions to Close Frankfurt Airport

Compiled by Our Staff From Dispatches

COLOGNE — German unions on Tuesday plan to shut down Frankfurt International, the world's busiest airport after Narita near Tokyo and Heathrow in London.

U.S. airlines that use Frankfurt as a European hub plan to divert flights to Amsterdam or Brussels, a Delta Air Lines supervisor said.

A British Airways manager said the closing of Frankfurt would probably disrupt air traffic throughout Europe. The union has not said how long the airport closings will continue.

Scandinavian Airlines System said Monday that it had canceled six return flights to German cities because of the widening strike. Three flights from Copenhagen, two to Hannover and one to Berlin, were scrapped, together with three flights to Düsseldorf, two from Stockholm and one from Oslo.

British Airways canceled its domestic German service on Monday. A BA spokesman said the Berlin-based domestic network had been hit by the closure of Berlin's Tegel and Tempelhof airports. BA could not get additional slots for the domestic service at Berlin-Schönefeld, and roughly 20 round trips had to be canceled. *(WP, Reuters)*

Iraq is officially encouraging tourists to return in spite of United Nations sanctions and international ostracism. Officials note that hundreds of thousands of tourists visited Iraq annually before the Gulf War, most of them pilgrims to holy sites, archaeology and history buffs and adventurous sightseers. *(Reuters)*

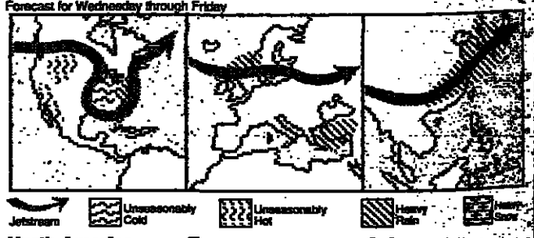
A general strike in Tangier disrupted business Monday in banks and hotels and among public services. The 24-hour stoppage was called to protest what the union described as police brutality in breaking up a demonstration by workers. *(Reuters)*

Some French tour bus operators have threatened to boycott Euro Disney, complaining that officials at the amusement park near Paris were favoring competitors offering cut-rate prices. *(AFP)*

Singapore Airlines will begin a twice-weekly flight to Hanoi on Wednesday, extending its present services to Vietnam. It already operates four flights a week to Ho Chi Minh City. *(Reuters)*

The Weather

Forecast for Wednesday through Friday



North America
A storm will linger along the Atlantic Seaboard through Friday. Clouds and rain, some heavy, will predominate. Chicago will remain cool yet mainly dry. Dry weather will hold through at least Friday in Texas and Southern California.

Europe
Much of Europe will have nice weather Wednesday through Friday with sunshine abounding from Germany south through Spain and Italy. Paris will have sunny and pleasant spring weather. London will be mild with showers likely by Friday.

Asia
Rain will soak Korea and western Japan at midweek and a few downpours are likely in Shanghai. Tokyo will be cool and dry; then it will shower. Friday: Thundershowers may break the daytime heat in Singapore. A few showers are possible in Hong Kong.

Europe

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
	C/F	C/F		C/F	C/F	
Algarve	23/73	11/52	s	24/75	12/53	s
Amsterdam	16/59	5/41	pc	16/61	5/41	c
Ankara	18/61	9/48	pc	17/62	9/48	pc
Athens	23/73	13/55	pc	21/70	13/55	t
Barcelona	18/64	8/46	s	19/66	9/48	s
Belgrade	19/66	7/44	s	21/70	7/44	s
Berlin	15/59	4/39	pc	18/64	6/43	c
Brussels	14/57	4/39	s	17/62	6/43	pc
Budapest	17/62	6/43	c	19/66	6/43	s
Copenhagen	13/55	6/43	pc	13/55	6/43	sh
Costa Del Sol	21/70	12/53	pc	22/71	13/55	s
Dublin	16/61	8/46	pc	17/62	8/46	pc
Edinburgh	14/57	7/44	pc	15/59	7/44	sh
Florence	20/68	8/46	s	20/68	9/48	s
Frankfurt	16/61	3/37	s	18/64	5/41	s
Geneva	18/64	6/43	s	20/68	6/43	s
Helsinki	14/57	5/41	c	14/57	7/44	r
Istanbul	17/62	7/44	pc	18/64	7/44	pc
Las Palmas	23/73	17/62	pc	23/73	17/62	pc
Lisbon	23/73	11/52	s	24/75	12/53	s
London	16/61	8/46	s	17/62	8/46	pc
Madrid	21/70	8/46	pc	22/71	9/48	s
Milan	19/64	7/44	s	20/68	7/44	s
Moscow	13/55	5/41	pc	17/62	7/44	sh
Munich	16/61	3/37	s	18/64	5/41	s
Nice	19/66	8/46	pc	19/66	7/44	s
Oslo	10/50	7/44	sh	9/48	6/43	r
Paris	18/64	7/44	s	18/64	7/44	s
Prague	17/62	6/43	s	19/66	6/43	c
Reykjavik	3/37	-1/31	sh	3/37	1/34	sh
Rome	21/70	10/50	pc	21/70	10/50	pc
St. Petersburg	14/57	7/44	c	17/62	8/46	sh
Stockholm	13/55	6/43	c	11/52	5/41	r
Strasbourg	18/61	6/43	s	17/62	6/43	s
Tallinn	17/62	7/44	c	13/55	7/44	c
Venice	19/66	8/46	s	19/66	9/48	s
Vienna	15/59	6/43	s	17/62	6/43	s
Warsaw	14/57	5/41	s	17/62	7/44	s
Zurich	17/62	6/41	s	17/62	5/41	s

Middle East

Beirut	22/71	11/52	sh	21/70	11/52	pc
Cairo	27/80	14/57	pc	23/73	14/57	pc
Damascus	22/71	10/50	pc	21/70	9/48	pc
Jerusalem	24/75	13/55	sh	22/71	13/55	s
Riyadh	34/93	21/70	pc	34/93	21/70	pc

Oceania

Auckland	19/66	9/48	sh	18/64	9/48	sh
Sydney	20/68	11/52	pc	20/68	11/52	pc

Asia

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
	C/F	C/F		C/F	C/F	
Bangkok	36/100	28/84	pc	36/100	28/84	pc
Beijing	24/75	11/52	pc	23/73	11/52	sh
Hong Kong	26/82	21/70	pc	28/82	21/70	pc
Manila	35/95	25/77	s	35/95	25/77	s
New Delhi	34/93	24/75	pc	34/93	24/75	pc
Seoul	21/70	9/48	pc	20/68	9/48	pc
Shanghai	23/73	9/48	pc	23/73	9/48	sf
Singapore	31/88	25/77	pc	32/89	26/79	pc
Taipei	27/80	18/64	pc	28/82	18/64	t
Tokyo	22/71	12/53	s	23/73	12/53	s

Africa

Algiers	17/62	8/46	c	20/68	8/46	s
Cape Town	27/80	10/50	pc	28/82	10/50	pc
Casablanca	21/70	18/66	pc	22/71	12/53	pc
Harare	20/68	10/50	sh	22/71	10/50	sf
Lagos	31/88	18/64	pc	31/88	18/64	pc
Nairobi	28/82	15/59	pc	27/80	15/59	pc
Tunis	19/66	6/43	t	21/70	10/50	pc

Latin America

Buenos Aires	19/66	6/43	t	20/68	6/43	pc
Caracas	31/88	19/66	pc	31/88	19/66	pc
Lima	26/82	21/70	pc	26/82	21/70	pc
Mexico City	24/75	12/53	pc	26/79	12/53	pc
Rio de Janeiro	29/84	22/71	pc	26/82	21/70	pc
Santiago	12/53	7/44	r	12/53	7/44	pc

North America

Anchorage	7/44	-3/27	pc	8/46	-2/28	c
Atlanta	22/71	10/50	s	19/66	9/48	c
Boston	12/53	5/41	c	9/48	5/41	c
Chicago	12/53	2/35	pc	16/61	3/37	pc
Denver	24/75	9/48	pc	28/79	12/53	s
Detroit	16/60	1/34	pc	21/70	9/48	pc
Honolulu	30/86	20/68	pc	30/86	20/68	pc
Houston	29/84	17/62	s	29/84	16/61	pc
Los Angeles	27/80	16/61	pc	28/82	16/61	pc
Miami	29/84	21/70	s	29/84	19/66	t
Minneapolis	18/61	6/43	pc	21/70	7/44	s
Montreal	9/48	-2/29	pc	8/46	0/32	pc
Nassau	27/80	21/70	pc	27/80	21/70	pc
New York	13/55	9/48	c	13/55	8/46	r
Phoenix	37/98	22/71	pc	37/98	22/71	pc
San Fran.	24/75	12/53	s	22/71	12/53	pc
Seattle	17/62	11/52	s	20/68	11/52	pc
Toronto	8/46	1/34	pc	12/53	2/35	pc
Washington	12/55	9/48	c	14/57	9/48	r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.
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BRIEFS

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UPDATE

...ankfurt Airport

... ...ay ... shut down Frank... ... airport after ... near Tokyo and ...

... European ... plan to divert flights ... Air Lines ... said. ... ...of Frankfurt would ... ...union has not said ... ...

... Monday ... had canceled six ... ...ing strike. Three ... Hannover ... to Berlin, were ... from Stockholm ...

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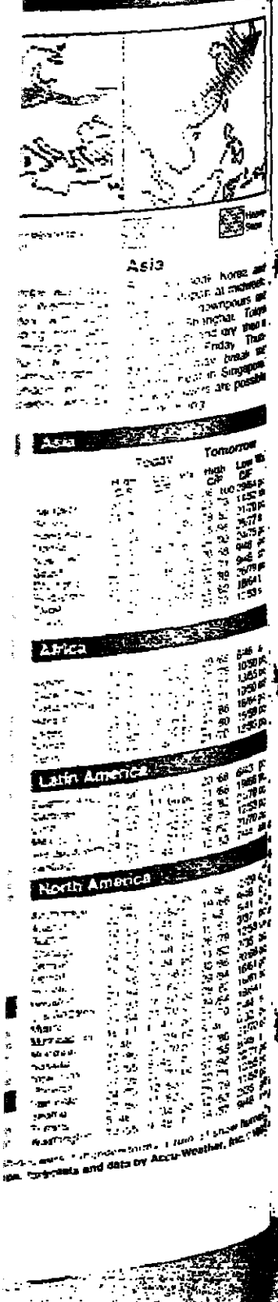
... ...to return in spite of United ... ...note that Iran ... the Gulf War, ...anthropologists and history buffs and ... (Reuters)

... ...Monday in banks and ... ...was called to ... ...in breaking up a ... (Reuters)

... ...threatened to boycott Euro ... ...the amusement park near Paris were ... (AFP)

... ...flight to Hanoi on ... ...already operates ... (Reuters)



...s and data by Accu-Weather, Inc. ©

Black Professors: No Longer an Endangered Breed?

By Mary Jordan
Washington Post Service

WASHINGTON — For the first time in 15 years the number of black Americans awarded Ph.D.s rose significantly last year, countering more than a decade of gloomy reports about the disappearing pool of black candidates to teach at the nation's universities.

National Research Council statistics show that 933 black students earned doctoral degrees last year, 13 percent more than the year before and the first significant shift from the downward decline that began in 1977. By comparison, the overall number of Ph.D.s awarded to Americans rose 2 percent.

"What we've all been concerned about is the vanishing black professor," said Frank G. Jennifer, president of Howard University, a predominantly black school. "The fact that these numbers are turning around is of major significance. I'm pleased and hopeful for the first time in many, many years."

"The recruitment efforts that began in the 1980s are just now beginning to pay off," said Barbara J. Solomon, dean of graduate studies at the University of Southern California. "Although the historically black colleges are doing well, the greatest increase in doctorates is in the predominantly white institutions."

Because it often takes six to nine years to earn a doctorate, depending on the discipline, Miss Solomon said there had been a lag between the recruitment effort in the 1980s and the results appearing now. Miss Solomon, one of relatively few black deans, said that "the Ph.D. is the critical degree because it prepares the professionals of the faculty." The presence of minority faculty members, she said, "confirms for minority students that there is real opportunity."

In 1990, black Americans, who account for almost 13 percent of the general population, accounted for only 4.5 percent of college professors — a percentage that had not budged from the decade before.

Neil L. Rudenstine, president of Harvard and co-author of "In Pursuit of the Ph.D.," said the new statistics on black doctorates were "great news." However, he and others emphasize that the 933 degrees that were awarded to blacks still represent fewer than 4 percent of the Ph.D.s awarded in 1991.

White Americans received 21,859 of the Ph.D.s awarded in 1991, 90 percent of the advanced degrees but up less than 1 percent from the year before. Asian-Americans received 762 doctorates last year, up 24 percent. The number of Hispanics earning Ph.D.s rose less than 2 percent, to 710.

In addition to the 24,700 Ph.D.s awarded to American citizens, American universities awarded 12,000 to foreign students.

Science and mathematical fields have experienced a particular dearth of black doctorates. The complete breakdown of the fields in which the doctorates were awarded in 1991 is incomplete. But in mathematics, for instance, only 10 of the 461 Ph.D.s awarded to American students went to blacks. The year before, only four blacks earned mathematics Ph.D.s nationwide.

Black students earn doctorates in education more than in any other field, followed by psychology and social sciences.

Bob Galbraith/The Associated Press

NOTHING NEW UNDER THE SUN — Former Presidents Ronald Reagan and Mikhail S. Gorbachev chuckling during a quiet moment at Mr. Reagan's ranch north of Santa Barbara, California. Mr. Gorbachev and his wife are on a two-week U.S. tour.

When Pushkin Comes to, er, Shovekin

In Russia's Artistic Heart, Culture and Commerce Collide Over Property

By Steven Erlanger
New York Times Service

ST. PETERSBURG, Russia — This haunted city has always fancied itself the trembling, Italianate heart of Russian cultural life, where Dostoyevsky, Pushkin, Gogol, Mandelstam, Akhmatova and others made their indelible way.

But modern culture is about money, too, not to mention politics, and as in Soho and Tribeca in New York, the artists of St. Petersburg, Russia's "window on the West," are enveloped in a feud over property.

The edifice in question is an ominous, decaying rococo apartment building of eight stairways, three courtyards and about 162,000 square feet (15,000 square meters) of space, now divided into some 170 apartments and offices.

Superbly situated at 10 Pushkin Street, just off the grandeur of Nevsky Prospekt, this 1877 structure leaves no one — even the most artistic person — confused about its worth, even in this period when the ruble has only a notional value.

Three years ago, the building was emptied for a major renovation, the inhabitants banished, in the Russian style, to new apartments on the city's outskirts — save three residents who simply refused to go.

The city hired a firm called "Okhrana," or Guard, to discourage looters attracted to the fine woodwork, decorative moldings and copper pipes.

A few artists who had worked independently, without benefit of the official Union of Artists, got in touch with a friend in Okhrana, who let them live in the building to help guard it. The idea caught on, and the building became a squatters' home for artists, many of them dissidents.

Now, about 150 artists, actors and musicians have studios here, many of them squatting and paying a nominal rent of 20 rubles a month, or less than 20 cents. There are some 30 commercial offices, too.

Around them, the building decays. The stairwells are painted with slogans and nicknames; the electric wiring hangs loose; many windows are cracked or broken. But repair is paralyzed because of a feud, become vicious, between two groups that once cooperated in securing the right to work there.

Sergei V. Kovalsky, 43, and Yuli A. Rybakov, 46, are old friends and fine artists who head a nonprofit foundation called "Free Culture." Mr. Rybakov, a city councillor, helped obtain city approval for an ambitious plan to renovate the building and devote a third of it to a cultural center.

The city, however, retains ownership.

But a rival group, "The Cultural-/Commercial Center — Pushkinskaya 10," is challenging them for the building, arguing its case both in city offices and the courts.

Consisting of the merchants and some of the artists in the building, this group has put up some money and formed a shareholding company. In return for ownership, they promise a renovation with bank financing, including 100,000 square feet of studio space, half of it to be provided at no charge.

In the meantime, the Free Culture Foundation has cut off the telephones of its rivals, and feelings run high.

Barbara Hazard, an American artist close to Free Culture, said the battle "all seems very Russian — an exaggeration of feeling, people taking sides and then having nothing to do with one another."

Mr. Kovalsky agrees. "The situation is quite typical of everything in Russia now," he said. "As soon as one group offers an idea and is ready to implement it, another springs up to force an alternative."

Mr. Rybakov said: "It's typical also of our politics now, with the privatization starting in real estate and trade. And in this struggle between popular, executive and representative powers, all kinds of fishy people are in the water."

Mr. Rybakov was born in a prison camp, where his parents were put in the Stalin era. As an adult, he spent nearly seven years in a camp, until 1982, for theft. He had stolen a military radio to listen to Western stations, and with his friends, had distributed news and other illegal material.

The KGB told him, he said, that if he insisted on his political fantasies, 18 friends would suffer also. "But if we agreed to hooliganism and theft, and stopped talking of politics, our friends would be left alone," he said. "So naturally we agreed."

It is a measure of the changes here that Mr. Rybakov is an effective politician, chairman of the city's Human Rights Commission. But no one has much experience with business, artists especially.

How will Free Culture pay for its plan, estimated at $1.5 million?

Well, Mr. Rybakov said, "we have some sponsors and donors willing to help us, but not enough." He made much of a donation of $25,000 from the Tides Foundation of San Francisco, an organization that addresses environmental and social concerns.

But Ms. Hazard, who helped arrange the gift, agreed that trying to finance the plan out of donations, with no equity and little rental income, was a considerable task.

The other group, she said, "has been painted to me as business people who don't care so much about culture, but who are probably more practical, and have access to funds, and maybe would do a better job for the artists."

Lee Salk, Psychologist, Dies at 65

By Catherine S. Manegold
New York Times Service

NEW YORK — Lee Salk, 65, a child psychologist who was the author of eight books, died of cancer Saturday in New York City.

His wide-ranging reflections upon changing American values and fundamental human needs included everything from pop culture (the psychological significance of the cowboy archetype) to contemporary society (the trauma of divorce), to biology (the role and importance of a baby's cry).

His latest book, "Familyhood, Nurturing the Values That Matter," is to be published in August. His earlier books included "What Every Child Would Like His Parents to Know" and "My Father, My Son: Intimate Relationships."

Mr. Salk's work first won attention in 1960 with the results of ground-breaking research indicating that the sound of a mother's heartbeat has a calming effect on a newborn infant. He theorized that mothers who hold their children near their hearts provide an auditory link that quiets the infants.

That research grew out of observations at the Central Park Zoo, where he noted that a monkey habitually carried her baby on her left, close to her heart. In a later study of 287 mothers, he found that both right-handed and left-handed women share a tendency to cradle their infants near their hearts.

He tested that theory by broadcasting recordings of a normal heartbeat in a nursery. Babies exposed to the sound responded by becoming more tranquil than those placed in a quiet environment. Prolonged exposure to the sound during the first four days of life resulted in increased weight. By contrast, babies exposed to the sound of a racing heartbeat appeared agitated.

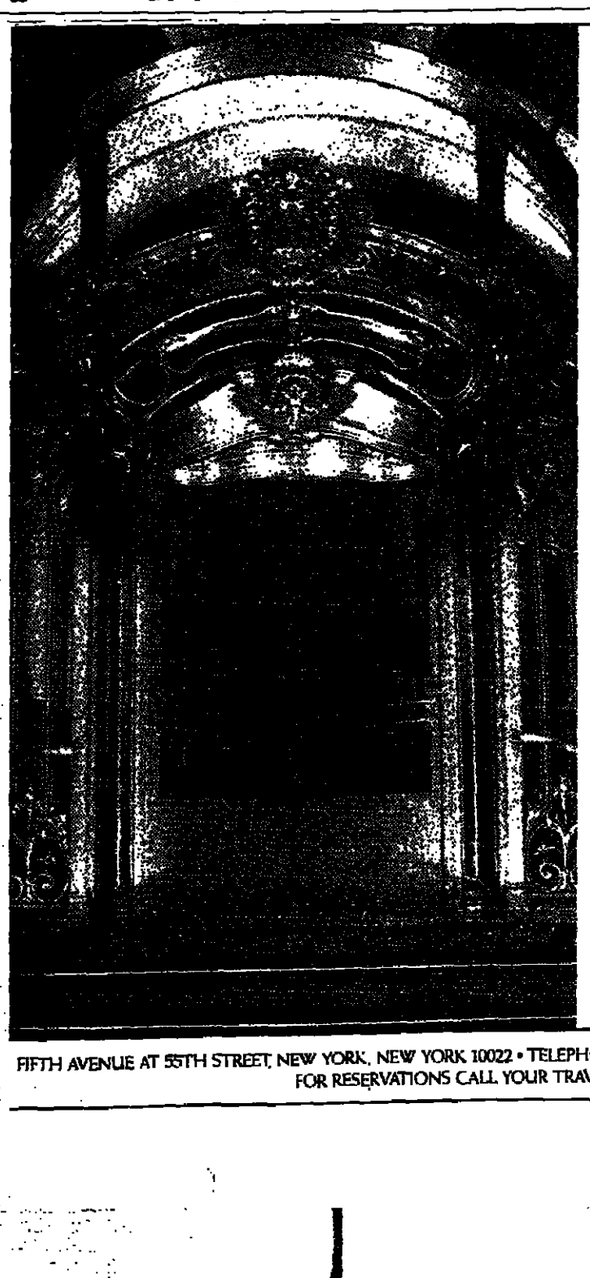
"From the most primitive tribal drumbeats to the symphonies of Mozart and Beethoven," he wrote in a report to the World Federation of Mental Health, "there is a startling similarity to the rhythm of the human heart."

Mr. Salk, who was born in New York City, received his bachelor's, master's and doctoral degrees from the University of Michigan. He was a professor of psychology in pediatrics and psychiatry at Cornell University Medical Center.

Israel-Nigeria Ties Restored

Agence France-Presse

ABUJA, Nigeria — Israel officially restored diplomatic relations Monday with Nigeria after a break of almost two decades. The agreement was signed by Foreign Minister David Levy of Israel and his Nigerian counterpart, Major General Ike Nwachukwu.



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Herald INTERNATIONAL Tribune
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OPINION

No to Nuclear Ukraine

Ukraine, which once promised to get rid of all its nuclear weapons, has begun to balk. Unless the Bush administration exerts pressure promptly, it could become the third biggest nuclear power in the world. When President Leonid Kravchuk visits Washington this week, he needs to be told that toying with nuclear arms is no way to protect Ukraine's hard-earned independence, boost its prestige or win America's favor.

Washington is prepared to work directly with Kiev on disarming, thereby acknowledging that Ukraine is a sovereign state, not an appendage of Russia. But Washington may have to withhold political and economic support to keep nuclear arms in Ukraine from endangering regional security.

Ukraine has resumed shipment of short-range nuclear arms to Russia for dismantling. It is backtracking, however, on pledges to sign the Nuclear Nonproliferation Treaty and transfer all 3,000 of its nuclear warheads — not just the 130 long-range missiles covered by last year's U.S.-Soviet strategic arms reduction treaty. Comments from Kiev suggest three reasons. Nuclear arms lend prestige, serve as bargaining chips to win more aid from the United States and deter Russia. But holding onto the arms would turn Ukraine into an international outcast. If it wants to improve its prestige, there is no more admirable way than to get rid of them.

If Mr. Kravchuk is just shopping for more economic aid in exchange for arms, America needs to say no. Such a swap would invite outlaw states to bid even more. And it would encourage Kazakhstan, Belarus and Russia, the other nuclear-armed republics, to whipsaw Washington on aid. Washington has already opened the way for Ukraine to get its share of the $400 million that Congress set aside for dismantling nuclear arms and retraining scientists in the former Soviet republics. It is already providing humanitarian help. And it stands ready to provide more aid once Ukraine disposes of its nuclear arms.

Nuclear arms will not make Ukraine more secure; they will turn all its neighbors against it. Nor can the United States guarantee Ukraine's security. But Russia and Ukraine have to know that they would face international isolation if either attacked the other. If Ukraine feels uneasy about handing over its arms to Russia, the United States could propose inspections to assure that arms are dismantled. And it could allow Russian inspections of U.S. disarming in return.

The main threat to Ukraine is not war with Russia but separatism among Ukraine's indigenous Russians. Ukraine can best head off that danger by transforming its economy, not by nuclear posturing. Washington needs to say so.

— THE NEW YORK TIMES.

Kashmir and the Bomb

India is way out of line in its repression of autonomy and independence agitators in Kashmir. It has allowed its fear of a precedent of nationalist splitting and its anger at organized Pakistani support for the insurgency to overwhelm its sense of democratic practice. This is how it comes to substitute a harsh military approach for the requisite new thinking about a political solution to a problem — Kashmir — that has brought nuclear or near-nuclear (whichever it is) India and Pakistan to three wars and could yet draw them into a vastly more deadly fourth.

What kind of solution? India's view is that it and Pakistan should work it out. This position rests on the Simla Agreement, which a victorious India imposed after its 1971 war with Pakistan. Opposed to this position, Pakistan takes recourse in the United Nations' 1948 call for a plebiscite (on accession to Pakistan or India) in the Muslim-dominated part of Kashmir that is here at issue. Given the current global sensitivity to ethnic-based national movements, plebiscites have an undoubted appeal. But India rejects a plebiscite in this instance.

The stalemate on Kashmir in a narrow context has led some to try to deal with the dangerous Indian-Pakistani tensions in a larger context. The United States is now trying to get the two countries, plus Russia and China, to talk about nuclear restraint. Pakistan, eager to propitiate Washington and to break the arms-sale ban that Washington imposed for Pakistan's nuclear cheating, accepts the conference idea. India, lonely after the loss of its Soviet patron, is coming to it. At this point the agenda is vague, but it would be a breakthrough, and an achievement for American diplomacy, just to get the parties to sit down.

But even if the nuclear issue were submitted to international massage, there would *still be an urgent requirement to treat Kashmir.* Outsiders are much better placed to contribute to a new nuclear equation than to a Kashmir settlement. The separate formulas now favored by India and Pakistan were designed more for international political jousting than for productive negotiation. Surely — perhaps in an atmosphere warmed by the onset of nuclear talks — the two countries could find something better. Meanwhile, they should be expected to lower the temperature in Kashmir, India by halting the repressions and Pakistan by stopping its stoking of the fire.

— THE WASHINGTON POST.

The Horn of Misery

The relief agencies are having to resort to a desperate expedient in Somalia. There in the Horn of Africa the International Committee of the Red Cross and Unicef, the children's agency, are paying off gunmen — rival gunmen — in kind in order to secure their permission for the groups to bring in food for starving people. Perhaps there is always some sort of implicit potential of extortion in war-zone relief operations, but it is particularly open and shocking in Somalia. The best that can be said is that it is a tactic improvised in the absence of any local authority or outside intervention force capable of seeing to the fair and expeditious delivery of vital supplies.

Representative Tony Hall, chairman of the House Select Committee on Hunger, observes that the Horn has become uniquely associated with the use of food as a weapon. It is a sad distinction. Mr. Hall contributed to a recent effort to induce Sudan, Ethiopia, Kenya and Djibouti to ensure the provision of relief in conflict situations. This was billed as a first international "arms control" agreement centering on the "weapon" of food. No sooner had these African states taken a broad pledge not to use food as an instrument of war, however, than a new Sudanese government offensive forced the United Nations to suspend its feeding of a million or more people in southern Sudan.

In the past 10 or 15 years the relief agencies and contributing governments have been called on for almost continuous surges of service in the war- and drought-induced famines of the Horn and of other points in sub-Saharan and southern Africa. It has been an uphill battle to keep the international public engaged in this essential but seemingly endless work. The combatants' use of starvation as a tactic in civil conflict — against their own citizens — has been especially dismaying and has prompted efforts to establish a "right to food."

Naturally this initiative comes more easily to donors and others who do not have much of an interest in the political outcome of a given dispute than to the participants. It is the mark of civilization, however, to put limits on the most terrifying weapons of war and especially on those that bear heavily on noncombatants. The deliberate starving and killing of masses of civilians have no justification whatever. Governments or insurgent factions that do this kind of thing deserve contempt.

— THE WASHINGTON POST.

Meanwhile in Natal

As the Rodney King affair exploded in Los Angeles, a finer brand of racial justice was being dispensed in South Africa. A white police commander was sentenced to hang for causing the massacre in 1988 of 11 blacks, including two children and six women, in Natal Province.

South Africa's death penalty remains morally and practically indefensible, even though commutation of this capital sentence is possible. But the conviction of brutal security forces was remarkable. This was the first time a senior South African policeman was tried and severely punished for orchestrating the violence that has bled the country since 1984.

Initially, police tried to conceal their complicity in the Trust Feed Massacre, named after the locality where police opened fire on presumed anti-apartheid activists. But Judge Andrew Wilson courageously rejected the cover-up, and credited a single dissenting officer with bringing the truth to light. As a result, Captain Brian Mitchell was found guilty of murder, and four black policemen were sentenced to 15 years for carrying out lawless orders.

The massacre gives new credence to charges by Nelson Mandela that a "third force" among security police has fomented clashes between black political factions. But the outcome speaks well for judicial courage and the determination of human rights lawyers. While the truth about innumerable police offenses has yet to be told, what happened in Judge Wilson's court is a heartening beginning.

— THE NEW YORK TIMES.

Other Comment

America Should Do as It Says

Had the Rodney King video been taped in Lagos rather than in Los Angeles, the United States would almost certainly have cut off aid to Nigeria. America has begun to assume the role of world policeman. Until such time as some international agency is able to fulfill this task, it is important that America is seen to adhere at home to the principles of freedom and justice that the United States so champions internationally.

— Bangkok Post.

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The Strange Story of Bush's Dealing With Saddam

By Leslie H. Gelb

NEW YORK — This is the story of George Bush's dealing with Saddam Hussein — until Iraq invaded Kuwait. It is a tale of deception and self-deception, of realism gone awry and/or of gross carelessness.

In 1984, Ronald Reagan signed a still top secret directive that officials interpreted as follows: "Do anything and everything" to help Iraq in the war against Iran. Saddam had started the war, but Iran was winning and threatening to dominate the Gulf, and had to be stopped.

The Reagan strategy was realistic and justifiable — combat first threats first. Now known: The United States gave Saddam vital battlefield intelligence and encouraged third-country arms sales and aid. Not well known: Saddam sucked the United States in further by tipping off CIA operatives about anti-Western terrorists.

While Saddam was double-crossing his fellow terrorists, President Reagan was double-dealing with the Iraqi. He gave arms to Iran in return for American hostages. Vice President George Bush pushed reluctant U.S. agencies to get with the policy to aid Iraq.

Iran and Iraq stopped fighting in August 1988. Iran was in shambles, and the old strategic rationale faded with the war. However, George Bush became president and aid to Iraq continued much as before.

The Bush team knew that Saddam sponsored terrorism and had megalomaniacal ambitions, but they believed they had to work with him because Iraq had become the dominant power in the region. And they thought they could tame him with aid and diplomatic stroking — because he was a "realist" with whom fellow realists could do business. But then ...

In August 1989, the Feds raided an Atlanta branch of an Italian bank. They found overwhelming evidence that top Iraqi officials close to Saddam had been engaged in a $4 billion fraud.

By October, the U.S. Customs Services showed that this money probably had been used to buy missile- and chemical weapons-related technology. Prosecutors envisioned quick indictments. Justice Department officials in Washington intervened, slowed things down and did not bring indictments until 1991, after Desert Storm.

A State Department memo of Oct. 13, 1989, noted Agriculture Department fears that the U.S. food aid program to Iraq had been thoroughly corrupted by Iraqi officials; the memo also mentioned signs that Iraq used these funds "to procure nuclear-related equipment." The CIA had firm reports of continuing Iraqi genocide against the Kurds, including attacks with chemical weapons. In the face of all this, President Bush issued the still secret National Security Directive 26 of October mandating that the United States "improve and expand our relationship with Iraq."

State used this directive to beat down widespread opposition within the administration to giving Iraq $1.1 billion in new credits to buy food. State's rationale was that Saddam was the key to U.S. policy in the region, and that he was a major and irreplaceable food customer.

In November, Congress cited the Kurdish situation and barred new Export-Import Bank loan guarantees to Iraq without a presidential waiver. Mr. Bush signed the waiver.

U.S. intelligence information continued to flow to Iraq until March 1990. (Surely the CIA noticed Iraqi ships unloading U.S. food in Eastern Europe and picking up arms.) At about that time, Saddam began to make bitterly anti-American and war-like speeches. Bush officials worried. But never did the president tell Saddam: Don't use force.

As Saddam's forces gathered on the Kuwait border, the Senate voted to stop further loans to Saddam because of human rights violations. The White House vigorously opposed the ban. Just before Saddam struck Kuwait on July 31, Mr. Bush sent him this message: "We believe that differences are best resolved by peaceful means."

To Mr. Bush, the slaughter of the Kurds seemed not to matter. Nor Iraqi thievery, fraud or a massive military buildup throughout this period. Saddam had power, and Mr. Bush felt confident he knew how to deal with such men — with goodies and respect.

My colleague Bill Safire has long called for investigations into possible administration criminality and cover-up. And for weeks now, Henry Gonzalez has been trying to tell this story to his colleagues in the House. Washington, petrified by scandal and politics, gazes on indifferently.

The New York Times.

Germany's Hermes Skips Out of the Reckoning

By Jim Hoagland

WASHINGTON — The first diplomat was Hermes, chosen by Zeus for delicate missions to other gods. The ultimate diplomat came several millennia later in the rumpled, roly-poly form of Hans-Dietrich Genscher, who retires this month after 18 hectic years as Germany's foreign minister.

His unexpected retirement will change at least the style of German diplomacy. More urgently, his resignation throws domestic politics into turmoil at an especially difficult moment for Chancellor Helmut Kohl's coalition government. Mr. Genscher's retreat into private life at age 65 in fact leaves Mr. Kohl dangling in the lurch.

Unavoidable, accidental bad timing? Or subtle revenge by Mr. Genscher against a political rival he disdained and at times defied? The timing of his act poses the kind of ambiguity that he savors and uses, to great effect. His departure signals that he does not expect things to get better for Chancellor Kohl's suddenly beleaguered government as it struggles with the soaring costs of unification, labor upheaval and the political fatigue that a decade in power brings.

The only foreign minister many Germans can remember leaves with his own high popularity ratings intact, before the deluge he presumably expects to descend on Mr. Kohl. But he also leaves his centrist Free Democratic Party riven by conflict over spoils of office and its own identity.

This turmoil is important for Germany and for Europe. The Free Democrats, who took 10 percent of the vote in the 1991 election, pride themselves on providing an essential balance wheel for German politics. Fearful of the combination of entrenched, powerful institutions and German history, Mr. Genscher allied his party with either Mr. Kohl's Christian Democrats or the rival Social Democrats to form governing coalitions.

Now he has thrown the balance wheel out of kilter just as Mr. Kohl has to face down the first serious labor uprising since the 1974 strikes that broke Willy Brandt's authority.

The strike by public service workers against the government is an economic consequence of unification. Despite Mr. Kohl's campaign promise that unification would be relatively painless, its costs now threaten the society's generous social benefits. After years of quarreling with Mr. Genscher in the national command post, Mr. Kohl finds himself alone in a suddenly exposed foxhole.

How will history judge the reputation that Hans-Dietrich Genscher seeks to preserve in departing now? It could be more of a mixed verdict than he expects. He got one big thing right, but that is not the whole story.

He was always eager to recall that he spotted Mikhail Gorbachev as a serious reformer before most of us. But he failed to add that he also long argued that the West had to deal more gently with the Communist regimes in the East because they were solid and durable and would not come tumbling down in a few months' time. That was the heart of Genscherism.

And what will he make of the initial lukewarm reading of his legacy from observers who did not quarrel with him while he was riding high? Take this judgment from a commentator in the Financial Times of last Tuesday: "Under his leadership, the Foreign Ministry has been transformed into a machine for the greater glorification of its minister, leaving many outstanding professional diplomats bitter and unregarded" and current policy adrift. A similar judgment in this column four years ago drove Mr. Genscher to near apoplexy and inspired an enduring grudge. His failure to develop a thick skin was one of the ways in which he differed from the mythical Hermes.

Hermes "symbolized for the ancients the qualities of charm, trickery and cunning," the British diplomatist Harold Nicolson wrote in his book "Diplomacy." "On the very day of his birth he stole 50 head of cattle from his brother Apollo and then having hidden the cows in a cave returned to sleep peacefully in his cradle." Such resourcefulness won the favor of Zeus, who used Hermes as intermediary between the upper and lower worlds.

Hermes developed the gift of flattery and deception. "Although he was widely popular, he was not deeply respected. Later diplomatists have often regretted that someone less brilliant but more reliable was not chosen as their tutelar deity."

That cautionary tale partially captures the legacy of 18 years of Genscherism. Harold Nicolson's point was one that the current American descendant of Hermes, Jim Baker, might well want to consider, especially when he enters the crucial phase of Middle East peace negotiations.

The Washington Post.

The Impregnable U.S. Military Might as Well Serve

By William Pfaff

PARIS — Washington has just backed off again from cuts in the defense budget, which has become a system of industrial and employment welfare payments. National defense now seems an afterthought.

The impregnability of the military budget to any serious reduction is also a cause of Washington's present tendency to make military power the primary measure of national influence and leadership. Those who say the United States should become the armed keeper of a "new world order" are tacitly acknowledging the country's loss of the political leadership that in the past came from American economic and industrial strength.

The Bush administration had proposed a $281 billion military budget for the fiscal year that begins in October. This was $10 billion less than in the current year. Congress demanded much more of a "peace dividend," but in the four months since the administration proposal was made it has backed down, unwilling to face the political consequences — in an election year — of more severe spending cuts, meaning job losses in thousands of communities.

Military spending is a highly inefficient form of Keynesian state stimulation of the economy. Military goods have a comparatively small multiplier effect on the economy, unlike an equivalent federal expenditure on civilian research, plant, manufacturing.

Civil aircraft, high-speed trains, computer research and manufacture all generate additional wealth. Military goods do so only marginally, if at all. Mighty aircraft carriers plow the seas, and fleets of Stealth fighter-bombers cross the skies in peacetime exercises, to no economically productive purpose. America needs such forces — some of them — but it certainly does not need them in the quantities in which it has them today.

This has, however, become the national way of life. America devotes very high levels of public investment and subsidy to a sector of the economy which generates low civilian benefits, while it refuses, for ideological reasons, to concern itself with the financing or direction of civilian industry.

A foreign observer might think this odd, aware of how Japan and Europe order their industrial economies. Such is the American way. Many other forms of life are also profligate. Consider the lilies in the field.

An upheaval of opinion in Washington and the academy could change this. Industrial policy is all the rage among the Democrats this year. Yet Democrats were prominent among the congressmen and senators who in recent days found themselves unable to support further cuts in military spending, and the obstacles that blocked them will not disappear. Too many jobs in too many places depend on military spending.

For the foreseeable future the military establishment will be America's principal instrument of world influence, given that U.S. industrial leadership has faltered and the economy experiences a heavily indebted stalemate. The policy choices available in these circumstances are limited.

The easy thing to do is to pretend that military power is what counts, use it conspicuously to claim international leadership, and try to associate others with the political rationales and financing of one's actions. This is what George Bush did last year in the Gulf War, and it is what his elusive new world order seems to come down to.

The Democratic (and Perotist, for that matter) alternative envisages a generous peace divided applied to the education of America's young, the rescue of its poor, the redemption of its credit, the dynamization of American industry, etc., with regained world influence the result. This has little practical chance of realization.

But if military power is destined to remain the principal government resource, could it not be used in more creative ways? In the Great Depression, and again during the World War II, the military were employed on civilian projects of public utility: in manpower education and professional training, public infrastructure creation, industrial development. The Army Air Corps even flew the mail for a while — if not very successfully.

The United Nations has never had so many demands for peacekeeping troops and the kind of humanitarian actions that military organizations are good at. It recently began a Cambodian peacekeeping effort which is the most important and expensive in its history. The United States — above all — should surely help, having been a prime disturber of Cambodia's peace. It would be a salutary shock to Serbia's leaders if U.S. troops joined the UN force now in Bosnia-Herzegovina.

There has been a plaintive call from ex-Soviet Central Asia for UN forces to keep the peace in new republics. Somalia needs 500 armed troops to protect relief workers. Washington has blocked a UN plan to furnish them; it does not want to pay its agreed share of the $22 million required. Why not simply send an infantry battalion?

The United States is in arrears not only on its peacekeeping payments but also in its dues to the United Nations itself. This is a disgrace for a country that claims world leadership. If America is too poor to pay its dues, while possessing troops to spare, the least it can do is send the troops. Influence has to be paid for in some way.

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Russians Come Down To Earth

By Stephen S. Rosenfeld

WASHINGTON — The heroic period of the Russian revolution is over. Sweeping statements, grand gestures and stunning breakthroughs have yielded to endless grinding and often prosaic necessities. "Just a minute," said Deputy Prime Minister Yegor Gaidar last week, fending off a hit squad of Washington journalists. He needed a minute to take a bite of lunch.

Mr. Gaidar is Boris Yeltsin's chief economic whiz, talky 36-year-old economic wizard. He was in town for Russia's accession to the International Monetary Fund and the World Bank. The man, the occasion and this set of institutions mark well the new period of the revolution.

With the old system symbolically destroyed (although many of its ways endure), its purpose lies in nothing less than the painful brick-by-brick construction of a working modern society. It is an audacious task surpassing in the scope of its ambition anything that has been tried anywhere.

Mr. Gaidar is almost contagiously upbeat about it. If anyone had said six months ago that by now the Russian government would have liberalized prices, cut subsidies, trimmed the military by 60 percent, raised taxes and survived, would you have believed it? he asks. A fair challenge.

No American expert has been more persistently skeptical of Russian reform plans than Marshall Goldman. Now he says: "To the extent that Yeltsin acts on his promises and allows prices to reach their market equilibrium level, the need to hold down prices with government subsidies should also end. That in turn will allow for a cut in budget expenditures and a drop in the budget deficit, which, in turn, will stop the hemorrhaging of money ... For the first time there is a growing understanding of what has to be done and, as painful as that medicine may be, if Yeltsin holds to his threats he may actually take the first steps to what some day, even if far off in the future, could be an economic recovery."

Judgments of this sort are what have enabled the Russians already to pull off the prodigious feat of selling the international providers of capital (banks and Group of Seven governments) and Russia to each other. This is what it means in the first instance to join the world economy.

Yeltsin, Gaidar and company had to persuade the international lenders that Russia was capable of sufficient discipline and austerity to ensure that their money would not go down a Russian rathole. Having now joined hands, the creditors are starting to take that leap — a vote of confidence of the most concrete and valuable sort.

At the same time, the democratically elected Yeltsin leadership had to persuade the borrowers, whose numbers include the conservative opposition and the people as a whole, that the IMF was not setting unreasonable and humiliating terms. The Gaidar formulation — It's not free money, nor is it money that sells out Mother Russia; it's money that the West provides to support Russian policy — gives a flavor of the politics of Russian pride.

These tasks of persuasion are not one-shot affairs. The lenders and borrowers will have to be reassured, in their respective ways, time after time.

This requirement for mutual confidence in the matter of money is a new element. It is bound to move to the center of relations between Russia (and the other republics) and the West. Strategic and political issues of the old East-West variety become ever less salient. The new connection is taking on a "North-South" cast, focusing as it does on issues of the economy, regional stability, nonproliferation, the environment and the like.

Actually, it *is* not quite precise to describe the new connection as a matter of one side persuading the other. The democratic process of one will be meshing with the democratic process of the other. The Western side will not simply be celebrating the achievements of democracy in the old East. It will necessarily be interacting intimately with elements of the new Russian system and learning to live with its peculiarities and frustrations. The test will come when the West is asked to make economic allowances for political lapses, as when, for instance, Russia, in pain, shovels out more subsidies and requests more loans.

In short, Russia is joining not just the world economic system but the world political system. It is a system of democratic states with a passionate interest, although they may tend to forget it in passages of impatience and crisis, in each other's political as well as economic well-being.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Duel Near Ostend

LONDON — According to the London correspondent of the *Yorkshire Post*, there is much excitement in clubland over a report, believed to be well founded, that Mr. Vane Milbank's opponent in the recent duel near Ostend was not a Frenchman at all, but a member of the English aristocracy — no other than one of the best known English Dukes. It is added that his identity was concealed by arrangement before the duel. The reason Mr. Milbank has not returned to Paris or London from Brussels since his duel near Ostend is that he is under arrest in Belgium for duelling, and out on parole.

1917: Banks Link Up

LONDON — Negotiations for establishing relations between the Bank of England and the Federal Reserve Bank of New York have been concluded. The arrangement provides that the Bank of England will act as correspondent and agent in London of the Federal Reserve Bank, and that the latter will act in a similar capacity in New York for the Bank of England. It is not intended that these institutions should engage in commercial foreign transactions. The relationship is, primarily, to afford greater stability to rates of exchange.

1942: Japanese Thrust

CHUNGKING — [From our New York edition:] Three strong Japanese columns had pushed the Allied armies back to within 150 miles of India and twenty-five miles of China tonight [May 4], in swift offensives that threatened to develop into invasions of both those vast countries and to overrun the still unconquered portion of Burma. Generalissimo Chiang Kai-shek broadcast to his people tonight: "We must prepare for a prolongation of the war and for greater difficulties in the future." China's national mobilization act comes into effect tomorrow.

OPINION

Americans Don't Need to Apologize for a Jury

By William Safire

WASHINGTON — "Scandalous," judges François Mitterrand, from a system that does not give the accused the presumption of innocence.

"The Los Angeles jury could not have done more damage to their country's image abroad if they had tried," wrote The Japan Times, from a system that does not entrust decisions to juries in criminal cases.

Most Americans supinely accept those condemnations. And no doubt the Los Angeles jury's decision — in the face of televised evidence of outrageous police brutality — did trigger riots and scores of deaths, give credence to charges of racism in the society and shook the confidence of many in American justice.

But the purpose of a jury is neither to project a national image nor to agree with the opinion of most fair-minded observers.

A jury should follow the judge's instructions about rules of evidence, setting aside all outside influence, ideology and prejudice; but in coming to its decision its members must give the accused the benefit of a reasonable doubt against the charges of the state.

"Viewed from outside the trial," said President George Bush, "it was hard to understand how the verdict could square with the video."

Take enough. Then, in his most presidential speech, the text of which was printed in The Washington Post, he went on to make this unpopular but Lincolnian point: "We must respect the process of law, whether or not we agree with the outcome."

Neither Bill Clinton nor Ross Perot had the courage and sense of responsibility to say that. The bulwark of civil liberty is the jury system, but the American Civil Liberties Union abandons principle by failing to defend the rights of jurors to be free of the threat of post-trial inquisition or punishment by publicity. We can disagree with verdicts without impugning the motives of jurors or demanding that they factor in world opinion.

Before taking the contrarian plunge, let me stipulate this: I believe that the tape shows overpowering evidence of excessive use of force. I believe that the change of venue to a white suburb was in error and the prosecution was inadequate.

If on the jury, I would have argued that Rodney King was victimized, and would have voted to convict the accused policemen.

But I am not about to join in the condemnation of the jury as a pack of racists or fools.

Anybody who has been in a jury room (an eye-opening experience that every American should seek) knows how 12 average people do their best to put themselves in the defendant's shoes, especially when the victim cannot or chooses not to testify.

"Acquitted!" was the headline, yet the jury verdict made this reasoned differentiation: The lawman who seemed most unlawfully savage was not acquitted on one charge of excessive use of force. Thus did a not completely certain jury say to the state: Pick another jury and let it decide on that accused cop's guilt.

"Twelve Blind Jurors" was the snap judgment of The Economist in Britain, where free speech is denied by repressive libel laws. But perhaps the reviled jurors knew that the alleged victim had other redress for justice. In Mr. King's civil suit for damages, the standard of judgment is reduced to a preponderance of the evidence, which appears to be on the side of the beaten man. And in the background was a federal statute protecting his civil rights, a grand jury for which was promptly convened, needing no impetus from anti-Asian arsonists or looters.

Amid the world's hypocritical brouhaha, we Americans should cut the self-flagellation and ask: Where else is a person accused of a crime better protected from the powerful state or the angry mob? And where else in the world today is a victim — of any race or creed — more likely to see justice served in the end?

In the United States, the presumption of innocence and judgment by a jury run the risk of letting the guilty go free. In other democratic and all autocratic systems, the habit of state control prefers to risk the jailing of the innocent.

All will occasionally err; because the American tradition puts the individual first, Americans are right to err on the side of the individual accused. To subvert our Bill of Rights to burnish our image of fairness would indeed be scandalous.

The New York Times.

Seeing the Videotape, Learning a Different Lesson

By Anna Quindlen

NEW YORK — They say that one way the defense attorneys won the case was by playing that videotape over and over, freezing the frames so that after a while it was no more than a random collection of points of light, highlighting the movements of the suspect instead of the batons of the police.

No matter how many times I watch the four police officers beat up Rodney King, it still looks indefensible to me, said to the 8-year-old, too. Three times he watched the videotape and three times he brought his arms over his head in a double arch, as though to ward off baton blows. And finally he said, "Are they really allowed to do that?"

It broke my heart, but it could have been worse. I pictured a mother and an 8-year-old watching the same clip, both of them black, the son asking the same question, the mother forced to reply, "Yes, baby, they are."

The lawyers told the jurors that they had to pay attention to what happened before the videotape started rolling. Here's what came before: Ronald Reagan, Willie Horton, rotten schools, no jobs, falling plaster, broken boilers, David Duke. Years and years of rage and racism, measured now in angry words and broken glass.

Everyone wants to attack the jurors. Let's be honest, white folks: They walked into that room with the baggage most of us carry, the baggage of stereotypes and ignorance and pure estrangement from African-Americans. They walked in from a world that thinks cops are the DMZ between us and them. And the defense made the most of it.

It makes you wonder whether the jury system, that bedrock of American society, can truly work when there is a fissure in the foundation so deep that sense disappears into it.

It makes you wonder how many others could say, as one of the King jurors did the other night on television, that it didn't seem particularly significant that, just before the beating, one of the cops in the case said he had had a call to a black household that was "right out of 'Gorillas in the Mist.'"

In some of our kids' schools they do this sensitivity exercise in which the blue-eyed kids treat the brown-eyed kids like garbage for the day. But at the end of the day the lots of the brown-eyed kids go back to being just white kids with brown eyes.

They move back across a deep divide. We Americans wore ribbons to show our support for the hostages; we wear ribbons to show our concern for AIDS. I wondered about ribbons to repulse racism and then thought about how naive I was, on my side of the divide, as I watched Los Angeles burn.

It's as naive as thinking that because African-Americans go to Harvard and sit in the next booth at Burger King, it cancels out the neon sign that blinks "Nigger" in white minds.

It was rich with irony, that the fires raged as the last episode of "Cosby" was aired, the sitcom that let white America believe that being black was as easy as being brown-eyed, that their lives were just like ours except their sweaters were better.

Somebody's daughter was on the news from Howard University, and she said that we had lied to her, that her parents and all the rest of us had given the impression that while racism still existed, it was no longer legal. But the Rodney King verdict taught her different. So smart. So sad.

Even George Bush was wondering how to explain to his grandchildren.

I take solace in the fact that the outrage seems felt by both whites and blacks. Some white empathy may have dissipated with the violence. That same juror seemed to take considerable satisfaction in saying that what they were doing was much worse than what those cops had done.

One black woman stood watching looters, tears rolling down her face, and said she couldn't understand how they could bring their children to steal. "I'm ashamed of my own people," she said.

I know that feeling. So why does it seem so impossible for her and me and millions like us to have a meeting of the minds until finally the met minds take precedent over the closed ones?

In 1968 the Kerner Commission released a report that talked of two Americas, one black, one white, separate and unequal. And I looked at my 8-year-old and thought that maybe in 2018 he would write the 50th anniversary piece saying that nothing much had changed.

I wondered if he would remember how he felt this last terrible week, or whether he would just be another brown-eyed child. I have tried to teach him that prejudice is intolerable, but watching the videotape he learned a different lesson. I wanted better for him. For all of them.

The New York Times.

RODNEY KING was not an innocent bystander who had been hunted down by marauding police officers. He was a crime suspect trying to elude police at speeds exceeding 100 miles (160 kilometers) per hour. Many of those shot and beaten in downtown Los Angeles were innocents going about their business.

If the federal government wants to do something meaningful in response to the Los Angeles riots, it should revise policies that undermine family stability. As for the Rodney King affair, the issue was more than race. It was crime.

Rather than make crime the focal point, television exploited the edited videotape and used it as a metaphor for hateful white America clubbing black America. If the Los Angeles police officers broke federal law, they should be convicted. But the entire country does not deserve to be indicted, convicted and sentenced to another round of spending on failed welfare programs.

— Cal Thomas, commenting in a syndicated column.

Trying to Get Government to Answer

By Tad Ames

PITTSFIELD, Massachusetts — One day, earlier in this century, my great-grandfather answered the phone in his office. "Mr. Ames," the man on the line announced, "this is the U.S. government calling!"

"Now that's funny," my great-grandfather replied. "I thought I was the U.S. government."

The government, in the form of the Boston Passport Agency, dropped me a line the other day. I had applied for a passport and it wanted further information. I had a question about the agency's demands that I wanted answered before I replied, but there was no name on the letter and no phone number.

If the word "your" hadn't been spelled "yoru" I would have sworn that no human being had ever been involved.

Information had two numbers for the agency. One connected me to a tape, the other to a line that gave me a busy signal 12 times in 45 minutes.

Fed up, I tried a different tack. "Do you have another number for the Passport Agency?" I asked the operator. "An emergency number? I can't get through."

"People have been saying that for years," she said with a Boston yawn.

I called the State Department in Washington. A helpful woman gave me the nation's central passport number, which connected me to a tape machine with an endless menu of touchtone options but no fallback for those who might wish to speak to a human.

I called the State Department. The

MEANWHILE

woman there tried to give me the tape machine number again.

"What do I have to do, call Margaret Tutwiler?" I shouted into the phone.

"I can only give you what I have."

"There's nobody in the government who can talk to me about passports?"

"I wish there was," she said. She put me on hold, then came back with a new number. "Try this," she said.

"Diplomatic," the next voice answered. I explained my predicament. "That's tourist," the man said. "I'm diplomatic."

Whipped and pathetic, I called my congressman. A bright-voiced woman cooed when I said I couldn't get through to anything warm-blooded. "I can," she said, mentioning something about a constituent service comes in many forms. I suppose I should feel grateful. After all, my passport snafu has been untangled.

So what's bothering me? It's not that the State Department wasted my time, although it did. It's not even that in forcing me to turn to my congressman, the State Department stole time from the homeless and jobless and everyone else who might need congressional help.

No, my complaint grows out of something basic. I am the U.S. government. I had a question. So why, when I tried to ask it, did I feel as if I was talking to myself?

The writer works for the Berkshire Natural Resources Council. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

From Blight to Blaze

George Bush promised the American people "a thousand points of light," but he gave us a thousand points of blight. Now there are thousands of points alight.

The acquittal of the four Los Angeles policemen is not the cause of the riots. It was merely the spark that exploded the steadily accumulating megatons of frustration and despair created by 12 years of government neglect, by poverty and a legal system which too often applies a double standard of justice.

Americans need a caring leader with vision, and not a president who derides "that vision thing."

ERNEST GOLDSTEIN.
Paris.

For Press Restraint

Regarding "Now They Put Harry on Page 1" (Opinion, April 14) by Ward Just:

It is good that journalists are having second thoughts about prying into the private lives of public figures. Evidently politicians running for public office are supposed to be sinless, unlike the rest of the population. The press should show restraint in exposing any fact which is irrelevant to a candidate's effective performance as an elected official.

RICK BENGE.
Vienna.

The Ross Perot Thing

If the polls are correct, only about a third of American voters favor George Bush and only a quarter like Bill Clinton. So if Ross Perot really runs and spends the kind of money he is talking about — well, think about it.

Here in the Philippines, we also have an unusual candidate. As of now seven people are running for president. Three of them have strong machines and plenty of cash. But wait a minute — another candidate with a new, small party and little money is leading the polls. She is Miriam Santiago, she has the young people in her camp and she draws the biggest crowds. With all candidates having watchers at the polling places, it is almost impossible to steal the election.

Like Mr. Perot, Miriam Santiago is a long shot. But these are not normal times, and in both elections the boat of complacency could well be tipped over.

RICHARD J. ARNOLD.
Manila.

Regarding "A Perot Run for President Wouldn't Add Up to Much," (Opinion, April 30) by David Broder:

Perhaps we should consider term-limit legislation for syndicated columnists. Perhaps for Mr. Broder, representative democracy is best brokered by an institutionalized political class.

CLAYTON VERNON.
Boulogne-Billancourt, France.

David Broder says he is "wary of people who, having achieved success and renown in one field, jump to the conclusion that they would be terrific at something else." Does he forget, or overlook, the fact that America's entire concept of democracy and government is based on the principle that the citizens run the government, not vice versa? The logical extension of this is that citizens, from no matter what walk of life, are perfectly entitled to govern, if selected by the voters.

LAWRENCE W. HAMPTON.
Albufeira, Portugal.

With the impending candidacy of Ross Perot, a boring campaign will be infused with life.

I am one of several hundred disaffected Connecticut voters who volunteered to get Mr. Perot on the ballot in our state. I have not had to go out and recruit a single volunteer since then; 67 volunteers saw my handmade "Perot" sign in my car window and contacted me. I am giving all my free time to help elect the man who can get America back from the Power Brokers and return it to the real owners: the people.

RAYMOND IZBICKI.
Stonington, Connecticut.

Unfair to Brown

How appropriate for Andrew Ward ("Saint Jerry, the Barren Demagogue," Opinion, April 1) to air his opinions on April Fools' Day. The writer appears to worship Orwell and despise Gandhi, and he passes judgment on someone he has never met. Perhaps he would benefit from accompanying Jerry Brown on his next trip to India.

MICHAEL GLOVER.
Utrecht, Netherlands.

High Court Widens Prosecution Powers

Compiled by Our Staff From Dispatches

WASHINGTON — The Supreme Court ruled Monday that any government prosecutor who is asking a grand jury to indict a person on criminal charges can deliberately withhold information that might show the suspect to be not guilty.

The panel, in a 5-to-4 split, took from federal courts the authority to throw out indictments on the grounds that prosecutors had withheld "substantial exculpatory evidence" from the grand jury.

Justice Antonin Scalia, writing for the court in an Oklahoma case involving bank fraud allegations, said that requiring a prosecutor to present evidence supporting the innocence of the accused would go against the traditional role of the grand jury hearing.

"The grand jury sits not to determine guilt or innocence but to assess whether there is adequate basis for bringing a criminal charge," he said.

He added that permitting courts to throw out indictments because the evidence is incomplete or misleading "would run counter to the whole history of the grand jury institution, and neither justice nor the concept of a fair trial requires it."

Justice Scalia was joined by Chief Justice William H. Rehnquist and Justices Anthony M. Kennedy, Byron R. White and David H. Souter.

Dissenting, Justice John Paul Stevens said the ruling permitted prosecutorial misconduct and created an impression of favoritism toward prosecutors and the government.

"We do not protect the integrity and independence of the grand jury by closing our eyes to the countless forms of prosecutorial misconduct that may occur inside the secrecy of the grand jury room," Justice Stevens said.

Prosecutors should be required to tell grand juries of "evidence which directly negates the guilt" of a suspect, he said.

The Bush administration asked the high court to reinstate the indictment in the Oklahoma case, arguing that a prosecutor is not required to give a grand jury evidence that favors a defendant. But Justice Stevens said the court went even further than the administration requested, by barring federal judges from dismissing indictments even in cases of clear prosecutorial misconduct.

Justice Stevens was joined by Justices Harry A. Blackmun, Sandra Day O'Connor and Clarence Thomas.

The ruling applies to federal grand juries. The court has previously held that prosecutors in state and federal cases have a responsibility after indictments to disclose evidence that could help exonerate defendants.

In the case Monday, federal investigators said a Tulsa, Oklahoma, businessman, John H. Williams Jr., obtained bank loans in 1984 and 1985 by overstating his assets and income.

Mr. Williams said prosecutors failed to give the grand jury financial statements, tax records and related material tending to exonerate him. He said the withheld material helped explain that his methods of evaluating his worth were legitimate.

The 10th U.S. Circuit Court of Appeals in 1990 upheld a federal ruling that dismissed the indictment. The appeals court said grand juries should be "independent and informed," not merely extensions of the prosecutor. *(AP, UPI)*

Assad Amali/Agence France-Presse

TAXES SPARK JERUSALEM INCIDENT — An Armenian Orthodox priest grabbing an Israeli municipal officer by the collar in Jerusalem on Monday, preventing him from entering the Armenian compound in the Old City. Israeli tax authorities tried to seize goods from the compound residents who had not paid taxes. Officers retreated, vowing that they would return with the police.

Sandinista Link Undermines Chamorro

By Shirley Christian
Washington Post Service

MANAGUA — The broad-based coalition that backed President Violeta Barrios de Chamorro in her stunning electoral defeat of the Sandinista Front two years ago is now threatening to withdraw its support, charging that Mrs. Chamorro is under too much Sandinista influence.

On April 25, the second anniversary of her inauguration, leaders of 10 of the 14 parties that make up the coalition signed a full-page newspaper ad criticizing her for maintaining General Humberto Ortega Saavedra, a Sandinista, as army commander, and for not having kept a promise to name a civilian defense minister.

It added that the people who voted for her were still waiting to see guarantees of "law, order and justice, which are so far still being violated with impunity by the mobs and militants of the Sandinista Front."

This was a reference to the waves of strikes and violent protests, as well as takeovers of highways, public buildings and private property, mostly by Sandinistas.

Several political leaders, including the president of the National Assembly, Alfredo César, recently used the term "divorce" to describe the growing split between them and the government.

Mr. César charged that Mrs. Chamorro, whose term has four more years, and her chief minister, Antonio Lacayo, were "co-governing" with the Sandinistas.

Another leader of the coalition, Luis Sánchez Sancho, who is also first vice president of the National Assembly, described the government as "semi-Sandinista" and said that left little to celebrate on the anniversary.

In general, coalition leaders, as well as the influential private enterprise organizations, are demanding the removal of General Ortega as army commander and firmer action to defend property rights.

Mr. César charged that the government was also bringing former President Daniel Ortega Saavedra, the general's brother, into the ruling circle in the belief that he could help control the labor strikes and other protests that fall outside the influence of the army.

Mr. Lacayo noted that Mrs. Chamorro had retained General Ortega so that he could oversee the reduction of the army.

He defended General Ortega as "a person who understands Nicaragua has entered a new stage of its history."

North Korea Releases List of Nuclear Facilities

Agence France-Presse

VIENNA — North Korea on Monday handed over a list of its nuclear assets "as thick as a small telephone directory" to the International Atomic Energy Agency, a spokesman said.

The spokesman said it was "too soon to say" if the list was complete, adding that it would take the agency one or two days to study the document and reach a decision.

He said the North Korean gesture followed Pyongyang's decision to allow the agency to inspect its nuclear installations under the Nuclear Nonproliferation Treaty, an agreement it signed in January and ratified on April 9. The first inspections could take place in June.

The North Korean list was handed over to the agency director-general, Hans Blix of Sweden, by a member of the North Korean permanent mission to international organizations here. Mr. Blix is expected to visit Pyongyang late next week.

North Korea authorities had until the end of May to provide a full list of their nuclear facilities, but 10 days ago said they would deliver it before the deadline. At the same time, it revealed the existence of three nuclear reactors previously unknown to the agency.

In L.A., Curfew Ends and Residents Return to Work, School and Traffic Jams

Compiled by Our Staff From Dispatches

LOS ANGELES — "Heads up for the accident on the Harbor Freeway southbound!" the radio announcer chattered. "There's a back up on the eastbound Santa Monica Freeway. It's fluid on the Golden State. L.A. is back to normal!"

In many ways, the second-largest, most car-bound U.S. city was back to normal Monday following the country's worst race riots this century. The traffic congestion meant that people were going back to work. Children returned to school. Stores reopened, or at least the ones that were not burned or wrecked did. And Mayor Tom Bradley kept his promise to lift the dusk-to-dawn curfew.

The mayor acted despite an overnight death, when National Guardsmen shot and killed a motorist who tried to run them down. It was the first shooting by troops on riot patrol. That, and the deaths of eight people who had been hospitalized with riot injuries, brought the toll to 55, seven more than during the 1917 race riots in East St. Louis, which had been the deadliest of the century.

"We're a little tense today," William Curtis said as he walked his 10-year-old son to school in the south-central district, where the riots began Wednesday after a jury's acquittal of four Los Angeles policemen for severely beating a black man. "It was a wild week. You can't help but be a little nervous."

Downtown, the convention trade appeared to be picking up again. Bellboys at the plush Sheraton Grande, which was nearly emptied last week, greeted new arrivals. Workers inside were setting up for an Atlantic Richfield Co. stockholders meeting.

The riots erupted on Wednesday, raging for three days and nights. Still on patrol Monday were thousands of Marines and National Guardsmen who were called in when the local and state police were overwhelmed by the scope and intensity of the violence.

After the nightly curfew took effect Sunday, three guardsmen killed an Hispanic man who tried to crash through a barricade with his car west of downtown, the police and the military said. The guardsmen fired 14 times, the military said in a statement.

Otherwise, there was only sporadic violence. Three arrests were made after a police station was fired upon. Gunmen shot at Marines standing guard in Long Beach, but the Marines did not return fire. A police car in south-central Los Angeles was shot at. Marines in Walnut Park, near the south-central district, were fired on from a car, but they did not return the fire, either. Later, two men who tried to run a roadblock there were arrested. No one was hurt.

Arson and looting losses approached $1 billion. Courts worked through the weekend to process the 11,400 arrested suspects.

In what has come to be known as the war zone, Boeun Lee, a store manager, said: "We're going to start rebuilding. The people who looted — they were just a few crazy people. The people who live around here, they cried, the same as we do."

A sign over a dentist's office in Koreatown read, "They burned my place, but not my spirit."

If the city is to rebuild, such determination will play a part. So far it is evident in small ways, with community cleanup efforts, or in what city leaders hope will be larger ways, such as the appointment of Peter V. Ueberroth, the organizer of the 1984 Los Angeles Olympics, as head of the recovery effort.

The selection by Mayor Bradley of Mr. Ueberroth was not being unanimously acclaimed.

Black, Asian and Hispanic politicians and business leaders acknowledged that Mr. Ueberroth brought considerable financial acumen to the post. But some in the city's minority community, especially small-business owners and residents of damaged areas, expressed skepticism about whether Mr. Ueberroth had sufficient understanding of the devastated neighborhoods.

Among those expressing puzzlement with Mr. Ueberroth's appointment was a Los Angeles County supervisor, Gloria Molina.

"I don't understand what the relationship is between Peter Ueberroth and rebuilding a city," she said. "It involves community relations and ethnic relations and everything."

"I don't know him to be the great mediator of race relations," she added.

Responding to such fears, Mr. Ueberroth said: "Nothing can be further from the truth. I stated clearly that I would go forward in this unpaid job only if I had the support of the African-American, Latino, Asian and Anglo communities that were affected. A plan to revitalize and rebuild will only work with their support."

Social workers, meanwhile, offered one possible explanation for the surprising force of the rioting. They said the city's powerful street gangs had played a major role.

Officials of the Community Youth Gang Services estimate that up to 30 percent of the rioters, looters and arsonists were members of black and Hispanic gangs that have long terrorized the poor neighborhoods.

(AP, Reuters, LAT)

Krug or Dom Pérignon Champagne? This year, Singapore Airlines offers even more interesting choices in First Class. For example, not one but two fine champagnes, on longer flights. Your pick of several special blends of tea. A selection of canapés or satay. Even milk or dark chocolates. Whatever you choose, our gentle hostesses will serve you as only they know how.

AFTERMATH IN L.A.: Political rhetoric starts to heat up as normalcy begins to return

Visiting Koreatown, Clinton Urges U.S. To Root Out Causes

Compiled by Our Staff From Dispatches

LOS ANGELES — Bill Clinton toured the stricken Koreatown neighborhood Monday and said the nation must work to "make some good" come out of the riots here by taking action to correct the underlying problems.

He shrugged off Housing Secretary Jack F. Kemp's assertions that the his campaign was playing politics with the situation, saying, "I don't know what he is talking about."

"I think the real issue is whether America can make some good come out of L.A.," the Arkansas governor said. He also met fire fighters from the south-central neighborhood, which was hit hardest by the rioting.

Mr. Kemp on Sunday attacked Mr. Clinton's campaign for having "reached a new low when he attempted to politicize the tragic situation in Los Angeles and turn it to his self-perceived political advantage." Mr. Clinton is the front-runner in the race for the Democratic presidential nomination.

Responding, Mr. Clinton said Monday: "I think maybe Jack just got a little heat for all the criticism he has given to President Bush and was trying to make up a little ground on the home front. That's about all I can figure."

Mr. Clinton said Sunday that the riots showed the need for a new president who could bind up and reunify a nation drifting apart along the divides of race and income.

He said the events were "a reflection of more than a decade of denial of responsibility and of manipulation of political symbols" by Republicans in the White House.

Mr. Clinton said he prayed that the nation could recover "a spirit of genuine community" after the riots prompted by the acquittal last week of four white police officers accused of violating California law by beating a black motorist, Rodney G. King, in March 1991.

Speaking in rhythmic cadences like those of the clergymen who introduced him at a Baptist church in Jeffersonville, Indiana, Mr. Clinton said: "We have neglected and denied our problems for too long as they have festered. We have refused to confront our differences. We have refused to sit down in a room together in common conversation, black and white together, to discuss our honest fears, our honest differences and our common interests. And for this neglect, we have all paid."

Mr. Clinton promised to "make an effort to bring us together to overcome those lines of racial division that savaged the South."

The governor did not assail George Bush by name, but by talking about moral and economic decay he seemed to be reproaching the Reagan and Bush administrations.

"Just below the mainstream, there is another stream of Americans living apart from our values, apart from our institutions, apart from the warm embrace of a church like this, with no connection to a society or a higher power," Mr. Clinton said at the First Baptist Church.

"We must not allow this country to drift apart further by race and income," Mr. Clinton said. "Let us pray for the United States, that somehow, some way, we will learn the deeper lesson of the last few days: that we are drifting apart when we ought to be coming together."

(AP, NYT)

David Longstreath/The Associated Press

Governor Bill Clinton, left, and a Los Angeles city councilman, Mike Hu, looking at the riot damage in Koreatown on Monday.

Seoul Delegation Seeks Reparations

Compiled by Our Staff From Dispatches

SEOUL — A South Korean government delegation left Monday for Los Angeles to seek reparations for the hundreds of Korean store owners who suffered damage in the rioting last week.

The government group, headed by Assistant Foreign Minister Huh Sung, intended to meet with Mayor Tom Bradley and other officials to discuss compensation.

Los Angeles officials had not yet broken down damage figures for city neighborhoods, such as Koreatown, which was one of the hardest-hit.

But based on conversations with the Korean community in Los Angeles, Seoul officials have estimated the damage as high as $300 million. The ministry did not say whether that sum would be sought in compensation.

"Damage was more than physical, but the collapse of the American Dream," said the parliament speaker, Park Jyun Kyu. Between 300,000 and 400,000 Koreans and Korean Americans live in Los Angeles.

Kim Dae Jung, president of the opposition Democratic Party here, also left for Los Angeles.

A small group of demonstrators marched outside the U.S. Embassy in Seoul demanding the departure of U.S. troops from South Korea. There were a few minor scuffles.

A senior U.S. military official said the South Korean government had had put its forces on alert to guard against possible attacks on American soldiers and U.S. installations in that country.

Tensions have been high between South Koreans and black American soldiers since a Korean grocer in Los Angeles shot and killed a black teenager, Latasha Harlins, last year for allegedly stealing a bottle of orange juice, according to a Department of Defense official. The tension increased when the grocer, Soon Ja Du, was convicted of second-degree murder but did not receive a jail sentence.

Against that backdrop, the burning and looting in Koreatown convinced the South Korean government that protective measures were needed for the approximately 38,000 American troops stationed in the country, the official said.

Members of the Korean-American Coalition in Los Angeles applauded the news of the Seoul delegation's visit, saying that they would welcome any effort to provide relief to the estimated 850 Korean-owned businesses that suffered damage or were destroyed in the rampage.

"I think we can safely say that the Korean-American community suffered the most," said the coalition vice president, Robert Park. "We realize lots of other communities, suffered but if an American business community in another country suffered, I'm sure they would want their government to help them.

"But our main priority is working with the U.S. government agencies. We're Americans after all, and we expect that they will help us out because I'm sure most will want to rebuild."

Governor Pete Wilson met local Korean officials Sunday at the South Korean Consulate to discuss what could be done to help owners rebuild. A Wilson aide said that the governor told them that the state would provide initial loans and disaster assistance to speed the recovery.

(LAT, Reuters)

CLINTON: *Democratic Front-Runner Looks Confidently to November*

(Continued from page 1)

lose ground, but as painlessly as possible. He'll sort of give us an anesthetic as we continue to slide."

The difficulty for a Democratic challenger, Mr. Clinton suggests, is that many Americans no longer believe that another politician can halt the slide.

"That explains, in large measure, the popularity at this time of Perot," he said. "People want to vote. You've got a large group of people at this point who want to vote. They want to be good citizens and they want somebody to fix things. But they have been so disappointed for so long that they can't believe anybody who's a politician can do it."

"They believe that both parties are to blame for the problems of America, which I believe, too," he added.

He talked several times of wanting to take his campaign back to its beginning, back to the issues of "a forgotten middle class," like programs for college loans and apprenticeships, and back to his vision of "reinvented" government efforts to move the poor into the economic mainstream.

The American people, he said again and again, "don't want this election to be about me."

But the strategist in Mr. Clinton acknowledged that he had to "fill in the blanks" on his life and record; he also had to repair the damage of the primary campaign, which left him with higher negative than positive ratings among registered voters in the most recent New York Times/CBS News Poll.

The general election campaign is only beginning, but Mr. Bush's allies clearly intend to use the "slickness" accusation against Mr. Clinton. The assertion helps raise the issue of trust, always a critical threshold for a presidential challenger. Mr. Clinton said: "If they want to call me names, they can do it, but they should realize, I won't be like Dukakis. It won't be a one-way street."

To wit, when asked about the use of the expression "Slippery Bill" made by the White House spokesman, Marlin Fitzwater, Mr. Clinton shot back of Mr. Bush, "If there's a fair reading of his record and mine, he comes off a lot more slippery than I."

He added: "The civil rights bill was a quota bill while David Duke was running like a house afire. Then David Duke disappeared, thanks to the people of Louisiana, and he signed the civil rights bill."

"He worked for 11 years with Reagan to minimize the availability of college aid to middle-class kids," he said, "and then right before the Pennsylvania primary, when it looks like I'm going to be the nominee, he all of a sudden is a convert to middle-class college aid."

Still, Mr. Clinton says there is a tendency to overlearn the lessons of the last war; for the Democrats, given Mr. Dukakis's pummeling by Mr. Bush in 1988, that means believing that toughness is all.

"The problem is, every time you get in one of those fights, the election becomes more and more about the politicians and less about the people," he said. "It looks like two people who desperately want to be in power instead of someone who wants to fight for the interests of other people and their lives."

"I still think in the end the most important thing is to have a message and to make people believe that you desperately want to do what you say," he added. "Because there are so many people who basically just see this as a sideshow."

The Arkansas governor, a politician for most of his adult life, sometimes seemed to be struggling to understand how politics could have become so alienating to so many. He argues that it is a moment in history when his generation in particular, the baby boomers, should be "throwing ourselves into the future."

As for himself, he seems unplagued by doubt.

He spoke, for example, with considerable passion in recent days about the crisis in Los Angeles. He said in the interview that his background as a Southern governor gave him a special perspective on the issue, on the need to "establish a dialogue across racial lines in this country," to rebuild the cities and the depressed rural areas, to work on re-instilling values and "literally reconnect millions of Americans to the society in which we live."

NEGLECT: *U.S. Cut Urban Aid*

(Continued from page 1)

the underlying causes of urban unrest, for enactment by the end of the year.

Not even the most ardent advocate of urban policy planning and U.S. aid to the cities argues that violence erupted in Los Angeles this week because Mayor Tom Bradley, a Democrat, no longer has revenue sharing money to spend and urban development grant projects to dole out.

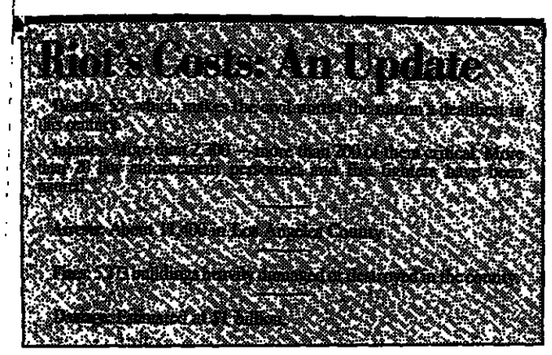
"You don't want to relate a period of neglect to people who are just thugs and hoodlums," said Stuart E. Eizenstat, who was chief domestic adviser to President Jimmy Carter.

But, Mr. Eizenstat added, "It is just as wrong to state that nothing has happened to make life in our cities worse." They have become so bad, he said, that in some cities there are "literally Third World conditions — conditions as in the violent part of the Third World."

The decline in U.S. interest in urban problems coincided with the cities' loss of population and political power. As the nation became more suburban, urban issues disappeared from the debate during presidential election years.

"Cities are politically less powerful," Mr. Eizenstat said, "and certainly a Republican administration can ignore them because its constituents don't live there."

Bird's Costs: An Update



Simi Valley Resents Its New Notoriety

By Jane Gross
New York Times Service

SIMI VALLEY, California — The very layout of the streets in this well-to-do suburb speaks volumes about how unwelcome strangers are here, about how much safety means to the 100,000 people, most of them white, who have crossed the mountain range and then the Ventura County line to escape the chaos and discomfort of the city.

Each subdivision of Simi Valley, which now claims a place on the map of American race relations along with Selma, Alabama, and New York City's Howard Beach because of last week's verdict, is a little world onto itself: a maze of dead-end streets easily navigable by residents but sure to baffle and trap any outlander who is up to no good.

"There is no question, in this community, that somebody out of the ordinary sticks out quickly," said Gregory Stratton, Simi Valley's mayor, who longs for the days when his city was known as the home of the Ronald Reagan Presidential Library rather than the scene of the trial that ended in a sweeping acquittal of four white police officers accused of beating a black motorist.

"And people are very quick to report anything suspicious, very quick to call the police and expect them to be there."

The people of Simi Valley, Mr. Stratton first among them, do not see themselves as racists and mightily resent that characterization, which has been uttered all over the nation since last Wednesday's verdict and the unrest that followed.

Instead, in interviews in Simi Valley — around backyard pools, at golf courses, swim meets and yard sales — dozens of men and women spoke of the peace and pleasure of living among people with attitudes and aspirations that match their own; of sharing their community with others who own houses, work for a living and obey the social contract.

"The people who live here share my values," said Arend Collen, a manager of a McDonald's, who passed a sunny day beside a neighbor's pool in Wood Ranch, a planned community with 3,000 housing units, shops, schools and golf courses within its secure perimeters. "It's a good socioeconomic climate — conservative, but not stuffy. It's one of the few communities left where you can go shopping and not get hit up by people wanting money."

Doug Baker, hitting golf balls at a nearby driving range, agreed. Mr. Baker, a circuit installer for the telephone company, works and used to live in the adjacent San Fernando Valley, the first stop on the suburban migration, but increasingly an extension of the city rather than an oasis of calm.

Mr. Baker moved to Simi Valley because he could not afford a house closer to Los Angeles, but has come to be grateful for his "dumb luck."

"I'm happy to live away from that kind of atmosphere," he said, citing "gangs, homeless people who don't work and don't have money because they don't work."

Mr. Baker, and most of those interviewed in Simi Valley, said the proliferation of beggars, vandals and vagrants in many nearby urban and suburban neighborhoods had nothing to do with race.

"These places that go downhill," he said, "it's not because black people or brown people or yellow people move in. It's because of people who don't care."

The day the verdict was rendered in the beating trial, in a county courthouse, Simi Valley was congratulating itself in the pages of the local newspaper for once again being near the top of the FBI's list of cities with the lowest crime rates.

"As we look over the hill," the editors of The Enterprise boasted, "we are proud of the society we have built here."

Within hours, the world saw it otherwise, with news commentators and demonstrators making disparaging references to this largely white city, labeling Simi Valley racist and comparing it to Mississippi in the 1960s.

City officials said that after the verdict they received telephone threats that the police station, courthouse and local hotels would be burned or bombed.

This hostility directed at their city wounds Simi Valley residents, who are quick to note that only two members of the jury live in Simi Valley, with the rest from cities and towns throughout the county.

Mr. Stratton said that holding Simi Valley responsible for the verdict was as unfair as "blaming the host city if your team loses the Super Bowl."

The mayor wondered why similar criticism was not being leveled at the town of Camarillo, for instance, which he said was home to three of the jurors.

"It wasn't our trial and a lot of people here don't agree with the verdict," said Phil Nielson, the director of a life insurance company, who organized a dozen friends and neighbors for a weekend trip into south-central Los Angeles with brooms, rakes and shovels to help in the cleanup effort. "But now this town's got a black eye and that hurts."

Mr. Nielson said that when he called state Senator Diane Watson's office offering help in the cleanup, her aide expressed surprise that people from Simi Valley, of all places, would want to come.

"Why were they shocked?" he asked, angrily. "We're people. A lot of us were raised there. It's our city, too."

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L.A. Mayor Says He Rarely Spoke With Police Chief

New York Times Service

LOS ANGELES — The black liberal mayor of Los Angeles and the white conservative police chief had not had as much as a conversation in the 13 months that preceded last week's rioting.

The mayor, Tom Bradley, reported this in an interview as evidence of his strained relations with Daryl F. Gates, the police chief, whom many have blamed for the authorities' slow reaction to the violence.

The mayor said he found himself ordering the police to a street corner in south-central Los Angeles on Wednesday night after he learned that motorists were being pulled from cars and that no officers were on the scene.

At the time, Mr. Gates was attending a fund-raising event for the campaign against a ballot measure that would institute reforms in the police department. The changes were recommended last year by a commission after the beating of Rodney G. King, a black man, by four white officers.

BUSH: *Unrest Blamed on Welfare Program Failures*

(Continued from page 1)

for new social programs largely mirrors efforts by Housing and Urban Development Secretary Jack F. Kemp. Until now, those efforts have not been a high priority at the White House, and Mr. Kemp has been openly critical of the president.

Among Mr. Kemp's pet programs is the Urban Enterprise Zone, in which businesses receive tax breaks for creating low-paying jobs in distressed urban areas. Legislation setting up such zones has been stalled in Congress, and some states have created their own versions. Mr. Kemp is a vigorous advocate of programs that transform tenants into owners.

Mr. Bush made few comments Monday, saying only that his proposals "have come of age" and that if Congress had listened to some of his cabinet officials — presumably a reference to Mr. Kemp — "we might be a little further along."

The president on Saturday declared Los Angeles a disaster area, an act that Mr. Fitzwater on Monday estimated would release $300 million in cash grants plus small business loans totaling $300 million.

Acknowledging the political component to his remarks, Mr. Fitzwater said that all the candidates would be issuing programs for aiding the cities and that his comments were designed to put forth the White House view.

Protesters Block Bridge in Washington

The Associated Press

WASHINGTON — Demonstrators on Monday blocked traffic on one of the main bridges into the nation's capital and thousands of city employees stayed home from work to protest the verdict in the Rodney G. King case.

Police said about 200 people sat down in the road on the 14th Street bridge over the Potomac River. Thousands of cars cross the bridge daily, going between Washington and the Virginia suburbs.

There were no immediate reports of injuries or arrests in the demonstration, which began shortly before the evening rush hour.

An estimated 14,000 city workers took advantage of a "liberal leave policy" to take a day's paid vacation. Mayor Sharon Pratt Kelly came to work but wore a black arm band to symbolize her unhappiness with the acquittal of four policemen in Mr. King's beating.

"Our city has been through some bitter experiences," she said, alluding to the violence that erupted last year in Washington when an Hispanic man was shot by a black police officer.

There were also protests by several hundred people at the Justice Department and the White House.

"This nation was not worried about morality and respect when it imported free labor 200 years ago," said Brian McDaniels, a Howard University law student who helped coordinate the bridge protest. "You can't be mad and cry foul when you back someone into a corner and they fight back."

Style

Christopher Moore

Dennis Hallbery, retiring after 42 years with Anderson and Sheppard of Savile Row, whose soft tailoring has knocked the stuffiness out of the suit. Charles, Prince of Wales is an illustrious client.

Savile Row Secrets: Hunt Balls and a Turn With Fred

By Suzy Menkes
International Herald Tribune

LONDON — Dennis Hallbery has the look and bearing of a gentleman's gentleman: the dark three-piece suit with the vest's bottom button discreetly left undone, black Oxford shoes as polished as his manners. If Hallbery has any regrets as he retires as tailor of distinction at Anderson and Sheppard of Savile Row, it is that the world now contains too few Bertie Woosters.

"We no longer get gentlemen as customers," he says. "A gentleman would come to choose a suit in the morning and come back after lunch having bathed and changed. Now we are working for workingmen."

Hallbery retires at 65 this spring after 42 years spent in the hushed atmosphere of a gentleman's club. The august premises on Savile Row have dark, frowning paneling, ceiling fans, a sturdy clock, a stuffed stag's head, mahogany counters, and a well-worn parquet floor, on which Fred Astaire would dance in the fitting room to put his new coat through its paces. Hallbery is a coat man (don't call it a jacket) who joined the firm in 1950 at the age of 23, following in the stitches of his father, who had been there since 1927.

The most illustrious client is Prince Charles, whose Prince of Wales feathers and royal warrant are engraved on the window. Charles was lured to Anderson and Sheppard in 1984, when his new wife, Diana, wanted to change his stiff and stuffy image.

"We are proud and honored to have the Prince of Wales as a client," says Hallbery, who dressed the royal chest in a modern double-breasted suit.

The secret of Anderson and Sheppard — whose client list runs from the international establishment to show biz — is in the soft coats that were introduced to Savile Row by the Swedish tailor Scholte, whom Anderson worked with before setting up in business in 1906.

"We make the softest coats in the West End," says Hallbery. "These fashion people are talking about the new unstructured coats — I call it the unmade effect — but it all *started with Scholte.*" Hallbery's own coats are cut with a small armhole that, along with the jacket's neck and collar, holds the coat in dignified place — yet still offers the ease and movement that created a revolution in men's tailoring. The first to appreciate that was a former Prince of Wales — the future Edward VIII and Duke of Windsor — who was a lifelong Scholte customer and delighted in being freed from "a buttoned-up childhood in every sense of the word."

The Duke of Windsor also knew that a man who cuts a great coat will not make pants: his own were made in the United States, an arrangement which the Duchess of Windsor described as "pants across the sea."

The soul of Anderson and Sheppard lies on the bare wooden worktables of the coat-cutter, Brian Russell, slicing fine pinstriped cloth with bold shears, and of dapper John Hitchcock, described by an Italian client as "the best trouser-cutter in the world."

What makes a tailor so great that a man will cross the ocean for him?

"That is the intangible," says Hallbery. "Tailors have something in their fingers. There is the question of manipulating the cloth. There are the good quality materials and the hand-sewing. Some tailors are good with big men and some with small. But it is like asking the difference between a Gainsborough and a Sunday afternoon painter."

Hallbery's own dark suit, according to its label, was made in 1983, which makes it a young'un by Anderson and Sheppard's standards. Although a fire in 1962 destroyed some records, leather ledgers, filled with crabby script, give measurements that span the century.

"We recently had in six suits made in 1927," says Hallbery. "We relined, sponged and pressed them and they were as good as new."

The days are gone when you could define a man's class and standing by the cut of his suit and the choice of a tailor was made before the choice of a wife — and may have been the longer-lasting relationship. New customers come not with their fathers as a rite of passage to manhood, but when they are established and in their 30s. Hallbery, who believes in holding a torch for tailoring standards, would not make a flashy yuppie suit.

"Savile Row is old fashioned, we are not Carnaby Street, thank God," he says, referring to the one-time mecca of the sharp suits of swinging London.

For 40 years Hallbery has kept fashion at bay and has a fount of wise nannie-knows-best sayings: "A suit is like a picture frame — it is there to enhance the personality," or, "If a man goes down the street and someone remarks on his new suit, we've failed."

"Are you asking me to make a Rolls-Royce with the front of a Mercedes, sir?" he asked a young client with a racy sartorial style — just as back in the 1920s Scholte refused to cut a fancy suit for the Duke of Windsor's dashing friend Major Edward Dudley (Fruity) Metcalfe.

What would Anderson and Sheppard consider a betrayal of its principles? Anything as "outrageous" as a "pop star" tuxedo with pink facings, although a gentleman might once have worn that to a hunt ball.

"Ah, the hunt ball coats!" sighs Hallbery. "And the tremendous orders we used to do in three days for funerals! We never now make a country suit with an overcoat to match. People wear sweaters and Barbours. There's a photograph of myself in Norfolk picnicking in a double-breasted suit with turnback cuffs and tie. A lot of things have gone. People don't dress in the evening. Tailoring is a mark of self-respect, and today's dress degrades; it goes deeper, there is a malaise."

If you want a country suit in a bold shepherd's plaid, a sports jacket in the misty shades of bog and heather, or just a sober business suit, there are bales of cloth stacked up by the counters. After the material has been chosen, there are two or three fittings (four for a new client) and the suit is ready in three to four weeks. The number of outfits made annually is a Savile Row trade secret, but in one workroom, clients from the first half of the alphabet currently have around 150 suits waiting for fittings. A wooden horse for trying on riding breeches still stands sentinel over a glass-fronted cabinet containing deep-pile camel-hair overcoats and velvet smoking jackets.

> *'We no longer get gentlemen as customers. Now we are working for workingmen.'*

Next door, the body patterns of each client are strung up — the master pieces cut out of brown paper and showing the nips and tucks that account for expanding girths as corporate clients grow corpulent.

Settling his tailor's bill too swiftly was once a reason for a "gentleman" to be blackballed from his club as a "bounder." That too has changed, and new clients are even required to put down a deposit for a suit that costs £1,351 or about $2,400 (less tax for overseas clients). More than 50 percent of customers come from overseas, with America the largest market, and a sprinkling of the famous.

"It takes getting used to, not to be overawed by famous people," says Hallbery, who has memories of Gary Cooper walking in ("exactly like a screen coming to life") and of the actor Sir Ralph Richardson ("Now there was someone who knew about clothes") gripping Hallbery's hand to explain what it was like to be directed by Charlie Chaplin.

Upstairs, in the warren of workrooms, 79-year-old Arthur Mortensen remembers Douglas Fairbanks and Marlene Dietrich coming in together for fittings and some risqué badinage over trying on pants. Under the rooftops is a new generation of tailors (average age 30), who may wear jeans and sweaters, but keep up tailoring standards for the flourishing business.

Yet Hallbery's retirement is symbolic of an era passing. His son has gone into computers and broken a century-old family thread. Hallbery will be too busy he says, with country life — his first love — and painting, to pen his memoirs. Ah, if inside leg measurements could only speak, what a tailor's tale they would have to tell.

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ELEGANCE AND VIGOR

New York Times Service

NEW YORK — Bobby Short has been synonymous with Manhattan's cabaret high life for so many years that it is easy to forget that the singer and pianist was not born into the world he has come to symbolize. Opening his 25th season at the Cafe Carlyle, Short celebrated his roots in a program that was generously peppered with reminiscences of his youth in Danville, Illinois, and his years as a pre-adolescent nightclub performer in Chicago and New York City.

"I have a compelling superstition about Stephen Foster's song about racehorses," he announced early in the evening in an anecdote about how his mother's superstitiousness had rubbed off on him. "If I can get through this song without a hitch, the rest of the show will flow like glass."

Short then launched into an accelerated, letter-perfect rendition of "Camptown Races," accompanied only by clicking drumsticks.

As befits a 25th-anniversary celebration, the show was a sort of retrospective of Short's greatest hits, with an emphasis on Cole Porter and a homage to Andy Razaf, whose blues song "Guess Who's in Town," written with James P. Johnson, has become one of Short's musical signatures.

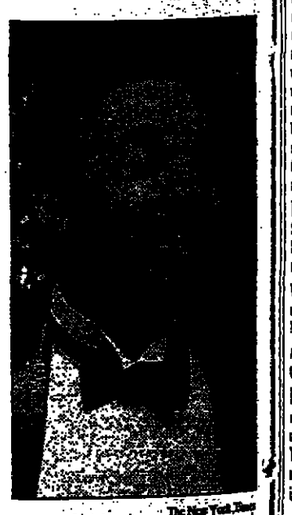
Short has done as much as anyone to bring Razaf, who wrote many of lyrics for Fats Waller's songs, into the pantheon of great American songwriters. His efforts on Razaf's behalf are part of larger lifelong effort to show the fluid interaction between the musical worlds of Broadway and Harlem in the 1920s, '30s and '40s.

The personality that Short has created as master of revels at the Carlyle is really an ebullient but refined, somewhat desensualized descendant of Waller.

The anniversary show was a typically superb balancing act between elegance and physical vigor. That elegance was manifest in Short's perfect diction and his taste in songs.

His physical vitality, impressive for a musician of 67, displayed itself in rip-roaring pianism that carried many of the uptempo songs into climactic crunches of chords, after which he often leaped up from the piano bench with his arms extended.

Among the high points were a wistfully airy "Body and Soul," charging uptempo renditions of "Do I Love You" and "I've Got a Crush on You," and a rollicking affirmative "Just One of the Three Things."



The New York Times

Short: A 25th Season

Although Short rarely becomes introspective, his renditions of "As Time Goes By" and especially "Street of Dreams" were fraught with a touching reflectiveness.

Short was deftly accompanied by his longtime cohorts, Robert Scott on drums and Beverly Peer on stand-up bass.

The Cafe Carlyle is in the Carlyle Hotel on 76th Street.

Stephen Holden

ADVERTISEMENT

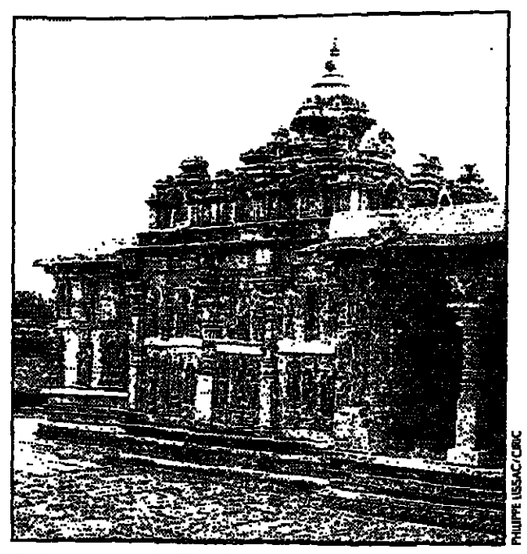
Stock prices have doubled since January.

INDIA

Blueprint for Reform

Economy Has New Global Orientation

When the leaders of India's ruling Congress (I) party met in the southern temple town of Tirupati in April, the economic resolution that was passed underscored the country's new economic policies.



India expects 1992 to be good for tourism.

Since the minority government of Prime Minister P.V. Narasimha Rao took office last June, India has witnessed sweeping change in the basic orientation of economic policy. Says Tarun Das, director-general of the Confederation of Indian Industry: "The government has done an enormous amount to change things."

For 40 years, India lived on a restrictive diet of socialism: public-sector domination of industry, every imaginable control on private industry, high tax rates, a cool attitude toward foreign investment, high tariff walls to protect domestic industry and a belief in the superiority of state intervention over market economics.

The Bombay stock index surged to 4,400 in April

But during the last 10 months, the government has virtually ended licensing of industrial capacity, thrown open the country to foreign investment, slashed income tax rates with the promise of more to come, reduced customs tariffs in two stages, again with more stages to come, begun the privatization of state-owned industry, opened to private-sector investment in many areas previously reserved for the public sector, and emphasized at every step its belief in the effective functioning of markets. The transition is also being made from a virtually closed economy to one that actively seeks to integrate with the rest of the world. Trade restrictions have been dismantled. The rupee is already partially convertible and will be freely convertible in three years.

The stock markets have responded with a euphoric burst that has seen average stock prices double in the last four months and taken the Bombay stock exchange's Sensitive Index from less than 2,000 in January to over 4,400 in late April. This despite an industrial recession (brought about by deflationary policies linked to a standby loan of $2.2 billion from the International Monetary Fund) and forecasts of a below-normal monsoon that could affect agricultural production in the coming year. Two other economic problems also loom large: inflation, which continues at nearly 13 percent despite repeated government assertions that the rate of price increase will drop below double-digit level, and the balance of payments problem.

Foreign industry has responded. The large international firms that have decided to invest in India over the last year include IBM, Coca-Cola, General Electric (with seven projects), Ford, General Motors and C. Itoh. Others considering sizable investments in the country include Shell, Mitsubishi, Siemens and Du Pont, with almost all of them looking at core sectors like power and petrochemicals. Foreign investment this year is expected to triple last year's $200 million, and to climb to $2 billion next year. Says Paolo Fresco, member of the GE board in charge of international operations: "We see India as offering the maximum potential in the coming years, along with Mexico and the Southeast Asian countries."

Foreign companies have an infinitely freer environment on offer in India now than at any stage in the past. There are some doubts about whether the government's expectations of substantial foreign investment will actually materialize, given

Suzuki is now the majority shareholder in its joint venture with Maruti.

the recession in the major Western economies and fears of a global capital shortage. But foreign companies are now free to control majority shareholding in companies, set up trading offices, buy property and enter fields closed to them in the past. Foreign banks, long confined to a small niche in the total market, are also being allowed to open new branches and expand their business.

Meanwhile, the privatization of public-sector companies has begun. Though this is still a contentious issue with some of the opposition parties, it has much broader appeal than would have been possible even two years ago. One of the more significant privatization steps concerns the high-profile car company Maruti Udyog, started as a joint venture with Suzuki Motor Company of Japan, with the government as majority shareholder. Now Suzuki has been allowed to take majority shareholding. Says R.C. Bhargava, Maruti's chairman and managing director: "The only way to solve the management and other problems associated with public-sector industry is to go in for privatization." Two years ago, that kind of statement from the chief executive of a public-sector company would have been heresy. Today, no one will bat an eye.

Also being privatized is the public-sector hotel chain run by the Indian Tourism Development Corp., with bids being invited from the world's leading hoteliers. Tourism is being promoted in an effort to revive the industry, which suffered in the wake of the Gulf War last year and the political turmoil that engulfed India in 1990-91. Says Ashok Bhatia, chairman of Welcomgroup hotels: "We are very happy to see that the government is about to launch a major promotional campaign to sell India to tourists. We expect the 1992 tourism year to be much better than the last one."

Foreign companies still worry about tax rates for companies, which continue to be high, at over 50 percent, but the expectation is that this will soon drop to 40 percent or less. Also of concern are the country's rigid labor laws, which regulate such basic issues as layoffs, retrenchments and closures. The government has so far dragged its feet on undertaking reform in this area, for fear that the large trade unions will declare war. But in the face of pressure from the IMF and the World Bank, policy changes are likely to be introduced over the next year.

Meanwhile, the reform program hinges on the success of efforts to curb government spending, cut the fiscal deficit, bring the money supply under control and boost exports. Significant success has already been achieved on many of these fronts, but there have also been slippages on some of the targets agreed on with the IMF.

The trade deficit in the financial year that ended in March dropped dramatically to less than $2 billion,

Large companies are focusing on exports like never before.

down from the previous year's $6 billion; foreign exchange reserves have zoomed upward from a crisis level of $1.3 billion last June to nearly $8 billion now. But the improvement in the trade picture was essentially a result of a severe squeeze on imports, following the foreign exchange shortage, and export growth has yet to show any real momentum in the wake of the new policies. Commerce Minister P. Chidambaram emphasizes, however, that the monthly export performance has shown improvement after January, and the government says that the real export burst will come after the new policies have had a gestation period of 12 to 18 months. Certainly some of the largest companies in the country are now focusing on export markets in a way they never did before.

The mood in industrial circles is remarkably upbeat, but Tarun Das of the Confederation of Indian Industry also emphasizes that a great deal remains to be done. The CII has put together a 19-point plan of action for the government, including further decontrol of industry, more ambitious privatization measures, reform of the rigidly controlled and troubled financial sector (the largest banks in the country are all government-owned), and an urgent review of labor legislation. The CII has also called for a streamlining of outdated government procedures.

All this and more certainly needs to be done. But in June last year, few would have forecast that the year to come would see such dramatic change in India's economic environment. Then, the pessimists outnumbered the optimists. Today, of course, the optimists are in the majority.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by T.N. Ninan, editor of The Economic Times (New Delhi).

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* All rates are exclusive of taxes and are subject to change without notice. Not all rates listed are available at all times. Please call for further information.

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A Profile

Chairman
Mr. S. S. Nadkarni

Managing Director
Mr. S. H. Khan

CAPITAL AND ASSETS (As at end-March 1991)	US$ million
Paid-up Capital	358
Reserves and Reserve Fund	702
Total Assets	11581
HIGHLIGHTS OF OPERATIONS (1990-91 April-March)	
Approvals	3508
Disbursals	2268
Since Inception (1964-91)	
Approvals	24700
Disbursals	17628

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NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued on Page 14)

NYSE Highs-Lows

NEW HIGHS 74

ADT wt	AmGenCo	ASPwr2Sp	ArmcoInPf
ArmWte	Arvin pf	Bolzler	Bandag
BekAm pfI	ArmstBlas	BirmPSER pf	BirmPS pf
BekAH	BkHOp s	CBX Co	Carlisle
Champ Int	ChmBk pfG	ChMWtr pf	Clev Cl pf
Comsr	ComBk pfP	Cyprus pf	Dataprd pf
DqtrCoCo n	Eaton UHI	ElPasoNG n	Ennis
FtFinFed pfB	Fmcpf	GnDynam	Gram Co
Hamischfg	HanskTal	Holsttnd	Isak Cp
InterChem	Inteqco n	LaQuinta	Lowes
LibtyCo s	LinkTel	McDer 22pf	Mercantile
MemCity	NYCPr pf	NewsCorp	NorfSo
OfcnCp	PNC Fncl	PNC Fn pfD	PaneCo
Phillip Elec	PtdEl 7Rpf	Pulitzer	Rainier
Rydd InterMx	Raytheon s	Reynld Rey	Reynld pf
ShopPt	RitznHous	RtzlnLamp	ShellOil pf
Singer n	SofTCm s	SvcCp	Texaco
Tectrad	UsPcp s	VKMOH n	VisaMstr
WPL Hld	WalMt pfdpf	WstPtPap	Wrmstr

NEW LOWS 7

BarkRlty n	CyanSemi	FLPw pf	NtcomUtl n
IntFlavEm n	LiveEnt	Montyds n	

AMEX Highs-Lows

NEW HIGHS 16

AIMM	BAT Ind	BkCo	Dentsply n
ESI Ind	FtaPubUtl	Genet Inc	LSB Ind
MoverInd	HsHorton	StarbaCas	Sunshine
TechDesSev	TemstrGrUT		

NEW LOWS 4

BarrLab	ClmbDevlt	ElcDlrP wt	LaserMd
MC Ship	MtyvanGld		

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Herald Tribune. INTERNATIONAL
BUSINESS / FINANCE
** TUESDAY, MAY 5, 1992

INTERNATIONAL STOCKS

Sydney Brokers Cheered By Hopes of a Rate Cut

By Michael Richardson
International Herald Tribune

MELBOURNE — The Australian stock market is in a buoyant mood following an unexpected drop in inflation and the prospect of another substantial cut in interest rates. But analysts caution that political uncertainty and a heavy schedule of new equity offerings could limit any rallies.

The Reserve Bank will meet Tuesday and is expected to announce a one-point cut in the official cash rate, now 7.5 percent. Analysts believe the central bank has plenty of leeway to ease because, after 18 months of recession, inflation was zero in the first quarter while unemployment remained above 10 percent of the work force.

"Another interest-rate cut of up to one percentage point by the Reserve Bank is needed" to stimulate the economy, said John Banos, chief economist at ANZ Banking.

Investors 'can earn higher returns from shares than from fixed interest rates.'

[The market ended marginally weaker on Monday as news of a worse-than-expected March current-account deficit, of 1.02 billion Australian dollars ($772 million), wiped out early gains, news agencies reported. The All Ordinaries Index fell 0.8 point to 1,664.4.]

The index is still below its 1991 high of 1,685, following some recent weakness. Still, the announcement last week that Australia's inflation rate was down to 1.7 percent in the 12 months that ended in March has had a major impact on market psychology.

The fall in inflation, which has averaged more than 8 percent a year over the past decade, and interest rates has encouraged investors to move money into a full range of shares instead of just the resources sector, said Terrence A. Campbell, managing director of Were Stockbroking Ltd. What is happening, Mr. Campbell said, is that investors are "realizing that they can earn higher returns from shares than from fixed interest rates."

Were Stockbroking has prepared a portfolio of 10 industrial, banking, construction, brewing and media stocks that will give investors an after-tax annual yield of up to 8.1 percent. In contrast, cash management trusts that two years ago yielded 15 percent now offer only 5.6 percent.

THE MARKET also stands to benefit from the "massive rationalizations" forced by the long recession, which have led companies to shed staff and cut costs, Baring Securities said in a recent survey.

Nestor Hinzack, head of research at Bain Securities Ltd. in Sydney, predicted that profits of the 50 largest industrial companies would surge by 28 percent in the year to June 1993, after falling by 2 percent in 1991-92 and by 20 percent in 1990-91.

Despite the positive signs, analysts caution that the possibility of an early election — which must be held within the next 12 months — combined with increased government spending ahead of the polls could rekindle inflationary expectations.

A heavy schedule of equity raisings also may keep share prices from galloping ahead.

Susan Fenton, an analyst at Macquarie Bank Ltd. in Sydney, said companies were expected to raise about 15 billion dollars through floats, rights issues, placements, options and dividend reinvestment programs in 1992-93. Capital raisings are expected to total 12.5 billion this year, the first increase in five years.

Woolworths Ltd., the profitable retailing arm of the failed Adsteam group of companies, is expected to be one of the first major floats of 1992-93. Adsteam's creditor banks want to raise up to 2.5 billion dollars from the float. Several federal and state privatizations, including the national airline Qantas, also are expected over the next 18 months, Ms. Fenton said.

Analysts said that the market should be able to digest these cash calls. Michael J. Heffernan, chief economist at the Australian Stock Exchange Ltd., said the expansion of superannuation savings, a common retirement savings vehicle, should ensure that sound new stock issues were absorbed. He estimated that superannuation funds would growth to about 600 billion dollars by the year 2000, compared with 130 billion dollars today.

CURRENCY RATES

Cross Rates

May 4

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.849	3.297	1.1251	0.3353	0.1496 *	—	5.469 *	1.23	1.3955 *	1.5545	1.795 *
Brussels	32.915	60.35	20.573	6.1025	2.7286 *	18.267	—	22.58	0.2559	26.4775	32.86 *
Frankfurt	1.6402	2.934	—	0.2967	0.1332 *	0.8888	4.862 *	1.0929	1.3015 *	1.3845	1.595 *
London (a)						Closed					
Madrid	103.437	184.817	62.738	18.47	8.352 *	55.782	3.0494	68.454	77.394 *	86.892	—
Milan	1,238.25	2,203.25	751.38	223.86	—	667.72	36.511	823.79	9.323	1,040.40	11.975
New York (b)	—	1.7785 a	1.647	5.5525	1,238.80	1.853	33.89	1.5118	133.30	1.1915	103.25
Paris	5.555	9.8865	3.3709	—	0.4487 *	2.9964	0.1639	3.6865	4.1965 *	4.6655	5.3735 *
Tokyo						Closed					
Toronto	1.1971	2.1181	0.7225	0.2145	0.0963 *	0.6427	3.524 *	0.7877	0.8942 *	—	1.151 *
Zurich	1.5025	2.6752	0.9142	0.2748	0.1214 *	0.8126	4.4329 *	—	1.1341 *	1.363	1.4567 *
1 ECU	1.2468	0.7001	2.0538	6.9234	1,542.52	2.3107	42.2537	1.8788	165.377	1.4829	128.047
1 SDR	1.3746	0.7729	2.2689	7.647	1,704.65	2.5533	46.6887	2.0038	182.982	1.6381	142.377

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argentine peso	0.99	Greek drac.	193.30	Mex. peso	3075.50	S. Kor. won	781.30
Austral. $	1.3254	Hong Kong $	7.7455	N. Zealand $	1.8822	S. Afr. rand	2.8685
Austr. schil.	11.40	Indian rupee	28.735	Norw. krone	6.431	Swed. krona	5.942
Brazil cruz.	2381.21	Indo. rupiah	2015.52	Phil. peso	25.02	Taiwan $	24.91
Chinese yuan	5.5181	Irish £	.60	Port. escudo	138.50	Thai baht	25.44
Danish krone	6.3725	Israeli shek.	2.3734	Russian ruble*	180.0	Turkish lira	6534.81
Egypt. pound	3.3182	Kuwaiti dinar	0.2954	Saudi riyal	3.7485	UAE dirham	3.6727
Fin. markka	4.477	Malay. ringg.	2.5165	Sing. $	1.653	Venez. boliv.	65.10

**Official rate. ¶ Tourist rate (commercial rate: 1.6989.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7688	1.7604	1.7515	Canadian dollar	1.1929	1.1955	1.1979
Deutsche mark	1.6565	1.6637	1.6717	Japanese yen	132.64	132.71	132.76
Swiss franc	1.5116	1.5172	1.5228				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

May 1

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	3 13/16-3 15/16	9 5/8-9 3/4	8 7/8-9	10 3/8-10 1/2	9 15/16-10 1/16	4 11/16-4 13/16	10 1/8-10 1/4	5 1/4
2 months	3 7/8-4	9 5/8-9 3/4	8 13/16-8 15/16	10 3/8-10 1/2	9 15/16-10 1/16	4 11/16-4 13/16	10 1/8-10 1/4	5 1/4
3 months	3 7/8-4	9 5/8-9 3/4	8 11/16-8 13/16	10 3/8-10 1/2	9 15/16-10 1/16	4 5/8-4 3/4	10 1/8-10 1/4	5 3/4
6 months	4 1/16-4 3/16	9 5/8-9 3/4	8 9/16-8 11/16	10 3/8-10 1/2	9 15/16-10 1/16	4 9/16-4 11/16	10 1/8-10 1/4	6 1/16
1 year	4 9/16-4 11/16	9 5/8-9 3/4	8 1/2-8 5/8	10 3/8-10 1/2	9 15/16-10 1/16	4 1/2-4 5/8	10 1/8-10 1/4	6 1/2

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

May 4

United States	Close	Prev.
Discount rate	3 1/2	3 1/2
Prime rate	6 1/2	6 1/2
Federal funds	3 3/4	3 3/4
Comm. paper 90-179 days	3.95	4.00
3-month Treasury bills	3.62	3.61
6-month Treasury bills	3.76	3.74
1-year Treasury bills	4.07	4.09
30-year Treasury bond	8.03	8.02
3-month CD's	3.40	3.40
6-month CD's	3.45	3.45
Japan		
Discount rate	3 3/4	3 3/4
Call money	Closed	4 23/32
1-month interbank	—	N.A.
3-month interbank	—	4 21/32
Germany		
Discount rate	8.00	8.00
Lombard rate	9 3/4	9 3/4
Call money	9.70	9.60
1-month interbank	9.80	9.80
3-month interbank	9.80	9.80
6-month interbank	9.80	9.80
Britain		
Bank base rate	10 1/2	10 1/2
Call money	Closed	9 7/8
1-month interbank	—	10 3/8
3-month interbank	—	10 3/8
France		
Intervention rate	9 5/8	9 5/8
Call money	9 13/16	9 7/8
1-month interbank	9 7/8	9 7/8
3-month interbank	9 15/16	9 15/16
6-month interbank	9 15/16	9 15/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

May 4

1 month	3 7/8 - 4
2 months	3 15/16 - 4 1/16
3 months	4 - 4 1/8
6 months	4 1/8 - 4 1/4
1 year	4 5/8 - 4 3/4

Source: Reuters.

U.S. Money Market Funds

May 4

Merrill Lynch Ready Assets
30-day average yield: 3.62
Telerate Interest Rate Index: 3.904
Source: Merrill Lynch, Telerate.

GOLD

May 4

	A.M.	P.M.	Ch'ge
Hong Kong	338.45	337.55	+ 0.10
Luxembourg	337.45	—	+ 2.50
Paris (12.5 kilo)	338.68	338.75	+ 2.10
Zurich	337.90	337.10	+ 1.50
London		Closed	
New York	—	337.30	— 1.20

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

(Continued on Page 14)

Highs-Lows

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Bleak Economic Future for California

By Richard W. Stevenson
New York Times Service

LOS ANGELES — California, already mired in a recession that was exposing jagged cracks in its "golden state" facade, now faces an even bleaker economic future.

The violence, looting and arson that swept wide areas of the second-largest U.S. city last week destroyed thousands of small businesses. That disaster will cause the direct loss of more jobs and tax revenues from a state already enduring a hemorrhage of both, economists say.

The stark image of a city out of control is likely to do little for the state's efforts to persuade companies not to leave and other companies to open factories. Tourism, one of California's most vibrant industries — providing 360,000 jobs and generating $7 billion annually — seems certain to fall off, at least in the short run. And foreign investment in real estate and local industry is at risk.

"The implications for the L.A. area are not good, and the implications for the state of California are not good," said Jack A. Kyser, the chief economist for the Economic Development Corporation of Los Angeles, an industry-financed group formed to promote economic growth.

As it debates how best to get moving again, California, where growth always seemed a natural state of affairs, is being forced to confront some painful consequences of its own policies during its decades-long boom.

Last year alone, California lost 333,000 jobs, or 2.6 percent of total nonagricultural employment, and in 1990, at least as many. The exodus reflects the high cost of doing business in the state.

Even when California's economy was booming, unemployment was very high among young African-American and Hispanic people. With unemployment in the state at 8.5 percent in March, the most recent month for which statistics are available — well above the national rate of 7.3 percent — the rate among young black and Hispanic men has soared far beyond that.

And the growth in per-capita income last year was 1.3 percent, far behind the national average of 2.1 percent.

With last week's devastation bringing a new urgency to the question of how far California is willing to go in changing its approach to its underlying economic problems, it is clear that an uncharacteristic period of introspection has begun.

"In California, wholly apart from the recession, our jobs climate is unacceptable," Governor Pete Wilson, a Republican, said in a speech to a group of business executives here last month. "Our economic engine is broken, and it needs fixing."

California is far from alone in having economically blighted inner cities, or in having a large population of working people barely above the poverty level. And certainly some of the state's problems, like the painful contraction of the aerospace and military industries in the wake of the cold war's end, are beyond its ability to fix by itself. But among the policies it must examine are these:

- Officials here say more and more frequently that the state must spend more on education, job training, roads, mass transit and the other underpinnings of a healthy and growing economy. But California, where the anti-tax revolt began in the 1970s, has long been unwilling to accept a broad-based tax increase to achieve those ends. Now, with its population growing and its economy shrinking, the state's fiscal problems continue to mount, creating further pressure for spending cuts by state and local governments.
- California has for years had a reputation

See CALIFORNIA, Page 12

Will L.A. Riot Jolt U.S. Treasury Refunding?

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Some credit market analysts say the disorders in Los Angeles and elsewhere last week may be felt in the financial markets for weeks if not months.

The analysts look to this week's $36 billion Treasury refunding auctions as one area where the anxiety may be felt.

"To the extent that foreign participation in these auctions matters, the fact that foreigners are looking at a place that is not as politically secure as it seemed even a few days ago" will not help the debt sales, said David H. Resler, chief economist at Nomura Securities International.

Now that serious questions have been raised for the first time in at least a decade about America's political and social stability, it remains to be seen how enthusiastic overseas investors will be to buy the new 3- and 10-year notes and 29½-year bonds.

Other analysts expect to see fallout in Washington from last week's riots. They say Congress and the Federal Reserve Board may feel more pressure to try to stimulate economic growth for fear that the nation's fragile recovery could stumble.

"Alan Greenspan has to be awfully nervous about this situation," said Edward Yardeni, chief economist at Prudential Securities, referring to the Fed chairman. "Both Wall Street and the Fed favor a slow recovery. But this social unrest creates a lot of pressure to generate something more substantive because the fundamental underlying problem feeding the unrest is the recession."

Even before the riots, market participants viewed this week's refunding auctions as more speculative than most, in part because for the first time in years a crucial set of economic data — employment statistics for April — will be released on Friday, the day after the auctions end.

Any lack of enthusiasm about

See ANXIETY, Page 12

German Budget To Seek Strict Spending Limits

Compiled by Our Staff From Dispatches

BONN — Amid its worst postwar strikes and deepest financial crisis in years, Germany is set to unveil Tuesday an austere 1993 budget and three-year financing plan that underline the country's new, tough stance on spending.

That stance was emphasized Monday by Finance Minister Theo Waigel, who said he would reject spending claims by several ministers because their demands were too high.

Mr. Waigel, in an interview with Stern magazine, reiterated that he would allow government spending to increase by only 2.5 percent annually over the next four years. He said Economics Minister Jürgen Möllemann's budget requests would have to be trimmed by 6 percent to 7 percent, and other proposals would also have to be sliced.

The cuts come against the background of a pay dispute with public-sector workers that has led to the country's worst strike since World War II.

Finance Ministry sources said Mr. Waigel's 1993 budget foresaw a federal deficit of around 40 billion Deutsche marks ($24.1 billion), after a 45.3 billion DM deficit this year.

Mr. Waigel's financing plan also postpones by one year, to 1996, the goal of lowering the federal deficit to 25 billion DM, a tacit admission that unification is proving more costly than expected, the sources said.

But economists and Germany's international partners are more worried about the country's total public-sector borrowing. The public-sector deficit, which includes borrowing by federal, state and local governments and the Unity Fund, is expected to total 124.5 billion DM in 1992, after 126 billion DM in 1991.

Concerns about the widening impact of the public-sector strikes pushed German share prices down Monday for the seventh straight day. The DAX index ended 5.74 points lower at 1,728.29.

Separately, Hans Tietmeyer, vice president of the Bundesbank, said that how quickly the German economy could be brought back on course depended largely on the outcome of the wage talks.

German interest rates "depend heavily upon the evolution of money supply and progress made in the fight against inflation," and such progress depends on the outcome of the current pay disputes, Mr. Tietmeyer said.

"That should be clear to all those responsible for wage, financial and social policy: they risk prolonging the period of restraint of our monetary policy," he said.

Mr. Tietmeyer said a cut in German interest rates should not be expected for the moment, because of the "extremely strong" growth in German money supply.

(Reuters, UPI, Bloomberg, AFP)

Kuwait's Largesse Spurs Debt Fears

By Youssef M. Ibrahim
New York Times Service

KUWAIT — The Kuwaiti government is in the middle of a seemingly unrestrained multibillion-dollar spending spree, raising fears among Kuwaiti economists and opposition figures that this once fabulously wealthy nation could end up in debt in just a few years.

While much of the money is going to meet the huge expenses of the Gulf War and rebuilding in the aftermath of the country's occupation by Iraq, billions of dollars are committed to programs that critics are calling unwise.

For instance, the government plans to bail out private Kuwaiti banks by assuming all their bad loans to Kuwaitis, many of whom are said to be billionaires and members of the ruling royal family who could easily repay.

Recent government spending commitments add up to at least $65 billion, or more than two-thirds of Kuwait's estimated assets of $100 billion, held abroad in the form of real estate, stocks, treasury bonds and cash.

Government officials say the spending programs are vital to economic recovery and prudent in the light of expected oil income.

But many Kuwaitis and foreign diplomats say that as spending rises and income from the vital oil industry remains relatively low because of heavy damage inflicted by the Iraqis, there is a clear risk that all of Kuwait's reserves will be quickly wiped out, stripping the country of financial security.

That could discourage Kuwaitis from investing in the country and could prompt the government to reverse basic elements of the most generous welfare state in the world, one that imposes no taxes and provides free health care and schooling to its citizens.

"They are not broke, but they are like a billionaire who's been cut down to a millionaire," said a Western diplomat who follows Kuwaiti affairs closely, speaking on condition that he not be identified.

"They may be heading for rough times if they don't slow down, stretch out or cancel some programs in the next couple of years."

In the last two months, the Kuwaiti government has authorized arms purchases and repairs in the oil industry of up to $20 billion, and approved the bank bailout

See KUWAIT, Page 13

Betting on Chaos in Markets

Physicists Aim to Predict the Unpredictable

By Barry James
International Herald Tribune

A company founded by a group of physicists and computer whizzes is about to test the assumption that chaos theory can be used to predict the behavior of financial markets.

According to conventional wisdom, financial markets discount all known information about a particular stock, commodity or currency to determine its price. But it is virtually impossible to predict sudden developments that can cause prices to swing sharply because those potential events are so numerous — from a sudden takeover bid or the death of a chairman to a natural disaster or a coup.

Nevertheless, Prediction Co. of Santa Fe, New Mexico, believes it can extract "pockets of predictability" amid seemingly random events and stay ahead of the markets.

The company, most of whose founder members previously worked at the Los Alamos National Laboratory, is building on the type of techniques used to analyze other extremely complex processes, such as the behavior of sunspots or fluid flows, that are almost, but not totally, random.

The difference is that the system of financial markets is vastly more complex — or "noisier," as physicists put it — than other chaotic processes.

The inventors of the method honed their techniques with early experiments to predict the behavior of a roulette wheel, which netted them a modest profit before they were run out of Las Vegas.

Prediction Co. now is putting the final touches on a partnership with a major bank, which it prefers not to identify until the agreement is signed. The bank will set up a fund to trade on the basis of Prediction's recommendations, according to Doyne Farmer, one of the founders.

"I think there might be some validity to it," said Philip Smythe of Laszlo Birinyi Associates in New York, a leading developer of computer trading programs. "There is growing evidence that stock price movements are not necessarily always normally distributed." This kind of randomness eludes even the most sophisticated conventional programs.

Since its incorporation last September, the nine-member Prediction Co. has amassed a huge amount of data to create a computer model to describe the behavior of financial markets. The important thing is that the researchers use raw data without making any assumptions about the way the markets might behave, and without structuring the model on past behavior, as conventional computer trading models do.

Imagine a river with video cameras running for 20 years at 20 different points along the bank, Mr. Farmer said. By collating the images from each camera and examining the connections between them, it should be possible to make a reasonable guess whether the next eddy is going to veer left or right, or even whether the river is going to flood.

In theory, similar predictability should be possible to identify in financial markets, he said.

The problem is that markets, with tens of millions of active agents, are far more complex than rivers. In fact, the only things less deterministic, Mr. Farmer said, are systems involving quantum mechanics, such as the rate of radioac-

See CHAOS, Page 16

Italian Model for Hungary

By Roger Cohen
New York Times Service

BUDAPEST — It has been a terrible three years for Eastern Europe. The economies of the region have shrunk by almost 25 percent since the painful transition to capitalism began.

But in Hungary, where the model that served postwar Italy well appears to be finding favor, the faint outlines of a success story are beginning to appear.

The Hungarians have long prided themselves on being shrewd, practical people. When the country was part of the Soviet bloc, it was sometimes described as "the West of the East" because of its ability to circumvent Moscow by quietly introducing, from 1968 onward, elements of a market economy. Now that same pragmatism is being applied in a way that may one day turn the country into the Italy of the East.

"In the rapid growth of small and medium-sized enterprises, in the development of a huge underground economy, in our widespread tax evasion and even in our slow-moving government, we have a sort of Italian system taking shape here," said Eva Voska, a prominent economist. "There are drawbacks as well as benefits, but the country is inching forward."

Over the past three years, the number of legally registered private companies has shot up to 57,000 from 5,000. Beside this, said Gyorgy Suranyi, former governor of the central bank, "there are tens of thousands, perhaps hundreds of thousands, of small family businesses operating outside the official economy."

'Steer clear of the government and you're in good shape to do business.'

Peter Rona, investor.

In a sign of this activity, domestic savings have been rising sharply, a development not usually associated with a steep recession such as Hungary's last year.

Times are still hard, and a successful Hungarian transition is far from certain. Devastated by the disappearance of its main export market — the former Soviet Union — and by the new pressures of capitalism, output was down 8 percent last year. But that compares to a fall of 19.5 percent in Czechoslovakia and about 10 percent in Poland.

A further decline in output, of about 2 percent, is expected this year, and unemployment, now reported at 9 percent, is rising. Inflation, at about 27 percent, has not yet been controlled, although it is well below the level of other countries in the region.

Overall, bankers and businessmen appear unanimous in saying that Hungary has taken a clear lead on its neighbors in economic reform and is best placed to achieve sustainable growth in the near future — perhaps by next year.

"Hungary is off to the best start, there is no question about that," said Ronald M. Freeman, first vice president of the European Bank for Reconstruction and Development. "Projects are cleared much faster, there is much greater stability, the rule of law is assured, and efficiency is generally greater."

Reflecting this view, about

See MODEL, Page 14

INTERNATIONAL BusinessWeek

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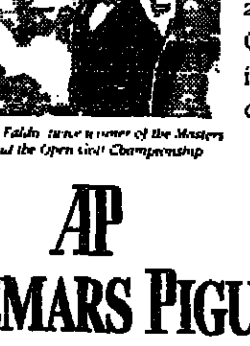

Nick Faldo, twice winner of the Masters and the Open Golf Championship

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MARKET DIARY

Computers Drive Stocks to Record

N.Y. Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Computer-driven trading strategies pushed Wall Street to a record close on Monday, overturning the decline on Friday that was induced by fear of riots.

The Dow Jones industrial average rose 42.04 points, to 3,378.13. The previous record was 3,366.50, set April 16. Advancing issues outnumbered declines by a ratio of 2 to 1 on the New York Stock Exchange, where volume fell to 172.21 million shares from 177.36 million traded Friday.

"The fact that our urban communities survived the weekend is 95 percent of the reason for the lift today," said Alfred Goldman, director of technical research at A.G. Edwards & Sons. "Market participants took a deep sigh of relief."

Stocks slumped Friday on concern that rioting in Los Angeles might spread to other cities and on a bearish purchasing managers report. The riots were triggered by a jury's acquittal of several white police officers charged with the beating of a black motorist.

"You had all the equity people go home early and all the futures boys stick around to take advantage of the little inefficiencies," said Edward Collins, executive vice president at Daiwa Securities America. "This morning, you had a couple people recommending IBM and the drug stocks and it got the market going. All of a sudden computer-guided buy orders kicked in and we're off to the races."

Glaxo Holdings was the most-active New York Stock Exchange issue, up 1 at 26⅝. Christina Heuer, an analyst at Smith Barney, Harris Upham & Co., recommended it and several other drug stocks she views as cheap. Merck jumped 3⅝ to 147½.

Saatchi & Saatchi was second, unchanged at 1⅜.

(Bloomberg, UPI, Reuters)

Mark Draws Strength From German Shift

Foreign Exchange

Compiled by Our Staff From Dispatches

NEW YORK — The Deutsche mark rose against most other currencies on Monday after the German government said it would improve its wage offer to striking public-sector workers.

The dollar was higher in quiet trading, with activity dampened by holidays in London and Tokyo.

The dollar rose to 1.6470 DM from 1.6405. But the mark rose to 91.79 Swiss centimes from 91.41, and it edged up to 80.87 yen from 80.86. The pound fell to 2.9292 DM from 2.9308.

Against the other currencies, the dollar rose to 133.20 yen from 132.65, to 1.5118 Swiss francs from 1.4995 and to 5.5525 French francs from 5.5330. The pound fell to $1.7785 from $1.7865.

Marc Chandler, an analyst with the advisory firm IDEA, called the day's trading "the calm before the storm." He said the upcoming Bundesbank council meeting on Thursday, and Friday's release of U.S. unemployment data for April, could pull the dollar out of its recent tight trading range.

There are some rumors that Germany's central bankers might lift interest rates, putting U.S. rates at an even further disadvantage. Similarly, speculation is brewing that the Federal Reserve might lower U.S. interest rates by the end of the month.

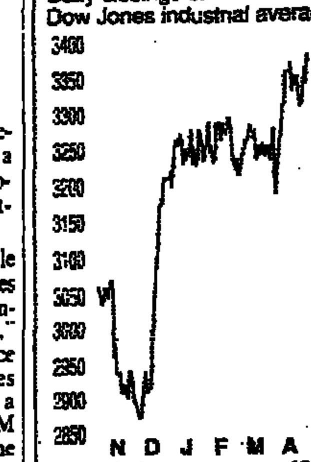
"Interest-rate differentials are capping the dollar's upside momentum while some buying is capping the downside," Mr. Chandler said.

He called the current spread between U.S. and foreign rates unprecedented. "Overnight rates here are about 3¾ percent; in Germany they're 9.60 percent," Mr. Chandler said. "That illustrates why the dollar can't rise." *(Reuters, AP)*

Via Associated Press May 4

The Dow

Daily closings of the Dow Jones industrial average



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Glaxo s	27384	26¾	26¼	26⅝	+1
Saatchi	27171	1⅜	1¼	1⅜	
Boeing	23767	43¾	42¾	43¼	— ½
IBM	22935	93	92⅛	92⅝	+1¾
FordM	17135	45⅛	44⅝	45	+ ⅞
Limitd	15530	24⅜	23	23⅝	+ ¾
PepsiC	14349	36⅞	36¼	36⅝	+ ⅜
Arkla	12916	8⅞	8⅛	8¾	+ ¼
ChmBnk	12632	37⅞	35⅞	37⅞	+1⅝
Waste	12475	39⅛	38	38¾	+1⅜
AT&T	12179	44	43⅝	43⅞	+ ⅜
GnMotr	12073	41¼	40½	40⅝	— ¼
BakrHu	12045	20⅝	20⅜	20½	
PhilMr	11494	78⅞	77½	78⅝	+1¼
DuPont	11493	54½	53⅞	54	

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	8534	3⅝	3½	3½	— ¼
Hilhav	6217	2¼	2⅛	2⅛	— ⅛
ChDevA	5165	6⅝	6½	6½	— ¼
Amdhl	3610	18¼	17⅛	17⅞	+ ⅞
Fruit	3534	36¼	35⅝	36⅛	+ ⅛
Kirby	2926	14½	13¾	14¼	+ ½
GoVideo	2910	4⅛	3¾	3⅞	+ ⅛
EchoBy	2750	5⅞	5⅝	5⅝	— ⅛
IntlCor n	2325	3⅞	3⅝	3¾	+ ⅛
PallCp s	2274	26	25⅛	25⅝	— ¼
Visx	2128	12⅞	12	12⅞	+ ⅜
A-gte sc	2074	10¾	10½	10½	
Atari	2070	2	1⅝	1⅞	— ⅛
A-ge sc	1979	7⅛	6⅛	7¼	+1⅛
US Bio s	1921	11⅜	10½	11¼	— ¼

NYSE Diary

	Close	Prev.
Advanced	1163	794
Declined	585	922
Unchanged	498	536
Total Issues	2246	2252
New Highs	76	58
New Lows	7	13

Amex Diary

	Close	Prev.
Advanced	294	273
Declined	258	250
Unchanged	231	218
Total Issues	783	741
New Highs	15	12
New Lows	6	9

NASDAQ Diary

	Close	Prev.
Advanced	1,242	1,054
Declined	890	1,028
Unchanged	2,129	2,167
Total Issues	4,261	4,249

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3349.96	3394.68	3340.79	3378.13	+ 42.04
Trans	1362.29	1389.30	1359.49	1380.79	+ 21.30
Util	210.69	213.38	209.88	212.19	+ 1.44
Comp	1183.88	1201.73	1180.49	1195.37	+ 15.00

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	495.41	489.11	494.19	+ 5.08
Transp.	360.79	353.52	359.53	+ 5.68
Utilities	147.96	146.38	147.62	+ 1.24
Finance	34.88	34.34	34.82	+ 0.48
SP 500	417.84	412.53	416.91	+ 4.38
SP 100	392.61	387.48	391.67	+ 4.19

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	229.60	228.42	229.42	+ 2.22
Industrials	287.24	285.97	287.04	+ 2.02
Transp.	209.01	200.98	209.01	+ 2.80
Utilities	98.19	97.71	98.10	+ 0.69
Finance	174.89	173.51	174.67	+ 1.90

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	584.47	578.13	583.54	+ 5.40
Industrials	638.36	631.42	636.98	+ 4.89
Finance	644.58	640.35	643.49	+ 3.21
Insurance	613.35	605.73	613.27	+ 7.12
Utilities	640.01	633.64	638.24	+ 4.02
Banks	422.10	418.16	420.75	+ 1.59
Transp.	613.12	604.90	609.16	+ 3.30

AMEX Stock Index

High	Low	Close	Ch'ge
391.79	389.37	391.61	+ 1.83

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	99.36	+ 0.11
10 Utilities	99.05	— 0.05
10 Industrials	99.68	+ 0.28

Market Sales

NYSE 4 p.m. volume	174,520,000
NYSE prev. cons. close	216,682,790
Amex 4 p.m. volume	12,160,000
Amex prev. cons. close	147,295,000
NASDAQ 4 p.m. volume	144,232,700
NASDAQ prev. 4 p.m. volume	17,436,000
NYSE volume up	120,200,210
NYSE volume down	33,727,920
Amex volume up	5,751,400
Amex volume down	4,969,530
NASDAQ volume up	83,430,700
NASDAQ volume down	34,464,200

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
May 1	749,722	745,461	111,804
April 30	798,549	775,876	72,892
April 29	1,001,174	665,886	8,464
April 28	934,416	700,011	19,398
April 27	841,289	694,819	44,897

*Included in the sales figures.

S&P 100 Index Options

May 4

Strike Price	Calls-Last May	Jun	Jly	Aug	Puts-Last May	Jun	Jly	Aug
350	—	—	—	—	⅛	⅜	1⅛	—
355	—	36	—	—	⅛	1⅛	2⅝	—
360	—	31	—	—	¼	1⅜	2 11/16	4½
365	26¾	27½	—	—	¼	1⅝	3⅝	—
370	21⅜	23⅝	—	27	⅜	2½	4⅝	6
375	16¼	19⅝	21	—	⅝	3⅛	5⅝	—
380	12	15⅛	16⅛	19⅝	1⅛	4⅛	6⅞	8½
385	7⅝	11⅛	14	—	2⅛	5⅝	8⅛	—
390	4⅞	8⅛	10⅛	—	3⅞	7⅛	9½	11⅜
395	1⅝	5½	7⅝	—	6⅛	10⅜	12⅝	—
400	⅝	3½	5⅛	7½	10⅛	13⅛	14⅛	—
405	⅛	2⅛	3⅞	—	—	16⅜	—	—
410	1/16	1⅛	2⅛	4	20	—	22⅛	—

Calls: total vol. 127,472; total open int. 352,244
Puts: total vol. 126,747; total open int. 411,327

	Dec 92	Dec 93	Dec 92	Dec 93
30	—	10⅛	⅛	⅛
32½	—	—	—	1⅛
35	5	—	—	—
37½	3	—	1½	2½
40	1⅛	—	—	3⅛

Calls: total vol. 23; total open int. 23,130
Puts: total vol. 189; total open int. 143,149
Source: CBOE.

Paris Sugar

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Aug	277.40	275.00	277.00	278.00	— 0.70
Oct	N.T.	N.T.	268.50	270.00	— 1.50
Dec	N.T.	N.T.	267.00	270.00	— 0.50
Mar	N.T.	N.T.	268.50	270.00	— 1.50
May	N.T.	N.T.	271.00	272.20	— 1.40
Aug	N.T.	N.T.	272.70	273.00	— 1.90

Est. sales 181. Prev. sales: 446.
Open interest 10,182.

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Altona Gas & Light	Q	.52	6-1	5-22
Carribbean Util	Q	.216	6-1	5-25
PROPOSED REVERSE STOCK SPLIT				
No Amer Ventures — 1-for-6				
STOCK SPLIT				
San Diego Gas & El — 2-for-1				
USUAL				
Allen Organ cl-B	Q	.12	6-5	5-22
Anadarko Petrol	Q	.07½	6-10	5-29
Badger Meter Inc	Q	.15⅛	6-15	6-1
Broad Inc	Q	.05	5-18	5-11
Broad Inc cl-B	Q	.04½	5-18	5-11
CSX Corp	Q	.38	6-15	5-22
Cominco Ltd	S	c-.25	6-30	6-11
First Savings Bnco	Q	.23	5-22	5-12
Foremost Amer	Q	.27	6-15	5-15
Fortune Bancorp	Q	.07½	6-3	5-20
GWC Corp	Q	.25	6-1	5-15
Haverty Furniture	Q	.09½	5-25	5-15
Haverty Furn cl-A	Q	.09	5-25	5-15
Hughes Supply Inc	Q	.03	5-22	5-17
Kerr Addison Mines	Q	c-.15	6-15	5-25
Manitowoc Co	Q	.25	6-10	6-1
Pennsylvania Entrp	Q	.55	6-15	6-1
Ryder System	Q	.15	6-20	5-28
Suncor Inc	Q	c-.26	6-17	5-29
Superior Surgical	Q	.25	5-26	5-12
Tab Products Co	Q	.10	6-16	5-22
Temple-Inland Inc	Q	.24	6-15	6-1

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Oil Prices Hit High for Year

The Associated Press

NEW YORK — Oil prices rose Monday to new highs for the year, driven up by gains in gasoline futures.

Light sweet crude oil for June delivery rose 25 cents, to $21.10 per barrel, on the New York Mercantile Exchange.

Group of 4, at Least, Forms in Asia

Compiled by Our Staff From Dispatches

HONG KONG — Monetary officials from Japan, Australia, Hong Kong and Singapore held discreet talks Monday as a first step toward regular meetings on the four big Asia-Pacific markets, participants said.

The talks were chaired by David Nendick, Hong Kong's secretary for monetary affairs. They were held on the sidelines of the annual meeting of the Asian Development Bank and followed a request from Japan, sources said.

Six former Soviet republics are courted by Asian and European aid bodies. Page 16.

Mr. Nendick said the talks were informal and that further discussions were expected.

Tadao Chino, Japanese vice finance minister for international affairs, was quoted by a ministry official as saying the meeting was "only the first contact" among the group of four countries.

Separately, officials at the ADB meeting said Asian finance ministers would discuss a grouping modeled on the Group of Seven industrial nations on Tuesday. Japan is the only G-7 member in the region.

The officials said the issue would be raised at a lunch given by Finance Minister Tsutomu Hata of Japan. It was not clear what bearing the Monday talks among the four countries had on the issue.

Panas Simasathien, head of Thailand's delegation, said, "This idea may be the starting point of the grouping but formal discussions have not taken place yet."

A Japanese official said some Asian ministers were frustrated by the lack of a concerted voice, such as the G-7. That grouping allows finance ministers and heads of government to decide strategies for economic issues.

Finance Minister Anwar Ibrahim of Malaysia said officials had already tackled the idea and he planned to discuss it with Mr. Hata on Tuesday, but he stressed it was at an early stage. "There has been a concern expressed on this and Malaysia would be very supportive," he said.

Malaysia has been a proponent of stronger economic integration among Asian countries, specifically its proposed East Asian Economic Caucus that would increase integration among countries in the region. But in January, the Association of Southeast Asian Nations refused to endorse the proposal, fearing it would anger the United States, which opposes the idea.

(AFP, Reuters)

U.S. / AT THE CLOSE

Pfizer to Sell Coty to German Firm

NEW YORK (Combined Dispatches) — Pfizer Inc. said Monday it has agreed to sell its Coty fragrance and cosmetics business to Joh. A. Benckiser GmbH of Germany for $440 million.

Coty, whose brands include Lady Stetson and Wild Musk, had about $280 million in sales last year.

Pfizer said the sale would enable it to concentrate on its over-the-counter medications business, which includes Ben-Gay muscle rub and Visine eye drops. It said the impact of the sale on its results would be disclosed when the transaction closed, which was expected by the end of June.

Pfizer shares rose $1.25 to $72.125 in New York. *(AP, Reuters)*

GE, De Beers Sued Over Diamonds

NEW YORK (Bloomberg) — Kidder Concrete Cutting Co. filed a class-action lawsuit on Monday against General Electric Co., a division of De Beers Consolidated Mines Ltd. and Diamond Abrasives Corp., claiming the three violated antitrust rules by fixing prices in the $600-million-a-year U.S. market for industrial diamonds.

The suit follows an announcement last month by the Justice Department and the FBI that they were investigating allegations of price-fixing of industrial diamonds by General Electric.

Kidder said GE and De Beers Industrial Diamond Division (Ireland) controlled about 90 percent of the industrial-diamond market. It claimed the two companies and Diamond Abrasives, a De Beers distributor, conspired to raise and maintain artificially high diamond prices.

The lawsuit included no specific dollar amount of damages because Kidder said it did not know how many parties may join in the case.

A General Electric spokesman said he had not seen the lawsuit but that "there's no reason to believe that any antitrust violation occurred."

Fed's Kelley Sees Subpar Recovery

SAN SALVADOR (Reuters) — The U.S. economy continues to show improvement but the recovery will be weaker than those of recent economic cycles, a Federal Reserve Board governor, Edward Kelley, said Monday.

"I look for progress to improve and accelerate to some degree in the coming quarters, although I do not anticipate a very strong and robust recovery similar to those that have occurred after some previous recessions," said Mr. Kelley, who was here for a two-day meeting of central bank governors from 26 nations.

Atari Suit Against Nintendo Rejected

SAN FRANCISCO (Reuters) — A lawyer for Atari Corp. said Monday that the company may seek to renew legal action against Nintendo Co. even after a federal jury dismissed its antitrust suit.

Atari had sought $160 million in damages in its suit, which alleged that Nintendo had attempted to monopolize the video-game market illegally. The jury returned its verdict on Friday.

Michael Khourie, a lawyer for Atari, said the jury was unable to reach a decision on whether Nintendo had abused its monopoly position in the industry, and added that this question could go to trial again.

John Kirby, a Nintendo lawyer, said that, "By finding that Nintendo had not harmed Atari, the jury found unanimously that the legal elements of a monopolization claim or of any antitrust claim had not been made out."

For the Record

Pathe Communications Corp. said that Crédit Lyonnais Bank Nederland NV would own about 10 percent of Pathe's common stock following successful completion of a planned tender offer. *(AFX)*

Bally Manufacturing Corp. said its first-quarter net income jumped to $27.9 million from a restated $4.5 million a year earlier, and added that an agreement was near on the partial divestment of its Nevada casino business. *(AP)*

The U.S. semiconductor market should grow 17 percent this year, compared with 6.4 percent growth in 1991, according to Dataquest, a unit of Dun & Bradstreet Corp. *(AFX)*

TNT Express Worldwide said it would start a six-day-a-week trans-Atlantic freighter service on May 5. *(Reuters)*

ANXIETY: *After the Riot, Will Foreigners Be Buyers at U.S. Refunding?*

(Continued from first finance page)

this week's refunding that foreigners might display would come on top of several years of diminishing foreign participation in the quarterly auctions.

But despite all the publicity surrounding Japanese purchases of Treasury securities in the late 1980s, foreign ownership of marketable government debt has remained fairly steady since the mid-1970s.

In a recent report, Susan Hering, an economist at Salomon Brothers, noted that at the end of last year, foreigners owned less than 19 percent of all marketable Treasury issues. And the bulk of those securities are held by central banks.

Although a lack of demand from overseas may be a negative at the auctions, the possibility of another easing in monetary policy by the Fed in response to the social crisis could be positive for the market in the short term, analysts suggested.

Last week, weaker-than-expected money supply figures and a report from the nation's purchasing managers heightened expectations that the Fed might move on economic grounds alone. If Friday's employment report shows that growth in the labor force remains sluggish, the Fed may decide to lower short-term rates again.

Analysts' estimates for growth in the nonfarm work force range from as high as 165,000 to as low as 25,000, with most forecasts in the range of 50,000 to 75,000.

Job growth of more than 100,000 would be a welcome relief from the scant gains recorded so far this year, but well below the levels seen in the early stages of previous recoveries.

Analysts agreed that the riots increased the chances that Washington would reconsider ways to increase domestic spending, which could make inflation-wary bond investors nervous. But the odds of a substantive package being produced before year-end seem remote, the analysts said.

CALIFORNIA: *Unrest Deepens Economic Gloom*

(Continued from first finance page)

as the nation's strictest regulator of air quality and for being on the cutting edge of other environmental issues, and it has made considerable progress in cleaning up the smog in the Los Angeles area. But the cost of complying with those regulations has been a major reason companies are moving out of state, taking jobs with them. So Californians must consider how much economic pain they are willing to absorb in the name of the environment.

• The state has long welcomed legal and illegal immigrants and workers from the rest of the United States, and its economy has become addicted to their labor and the money that some bring with them to start their new lives. But some officials say they fear that the state's finances, its social services and its economic health will soon by swamped by its rapidly growing population, and they are calling for measures to stem the flow of immigrants.

Last week, Mr. Wilson announced that he had gathered enough signatures to place on the November ballot a measure to overhaul the state's welfare system. Among its provisions is a measure that would put limits on welfare payments to those who have been in the state for less than a year, which would make California less of a welfare magnet.

WORLD STOCK MARKETS

Agence France Presse May 4

Amsterdam

	Close	Prev.
ABN Amro Hld	46.60	46.50
ACF Holding	34.50	34.50
Aegon	128	128.90
Ahold	84.10	84.20
Akzo	160	158.90
AMEV	52.60	52.30
A'Dam Rubber	3.70	3.65
Bols	48.20	47.70
Buhrmann Tett	48.70	47.70
CSM	96.60	96.50
DAF	24	24
DSM	114.30	114.50
Elsevier	118.40	114.80
Fokker	36.30	35
Gist-Brocades	39	38.60
Heineken	163.40	162.30
Hoogovens	59.40	57.90
Hunter Douglas	76.50	73.50
IHC Caland	72	69.20
Inter Mueller	63.50	60.50
Int'l Nederland	50.50	50.30
KLM	38.20	37.80
KNP	45	45.20
Nedlloyd	56.30	56.30
Oce Grinten	76	76.40
Pakhoed	45.80	45.40
Philips	39	38.40
Robeco	97.60	97.10
Rodamco	47.90	48.60
Rolinco	96	95.30
Rorento	72.50	72.50
Royal Dutch	153.70	154.50
Unilever	186.90	187.40
Van Ommeren	43.30	43.30
VMF Stork	42.10	42.20
VNU	88.50	88.50
Wessanen	95.50	94.40
Wolters/Kluwer	75.70	75

CBS Trend Index : 129.90
Previous : 128.80

Brussels

	Close	Prev.
Acec-UM	2320	2340
AG Fin	1980	1980
Arbed	3765	3800
Barco	1258	1260
Bekaert	12550	12750
Cockerill	155	156
Cobepa	5050	5090
Delhaize	9050	9200
Electrabel	4850	4800
GIB	1422	1424
GBL	3200	3195
Gevaert	7070	7000
Kredietbank	4895	4810
Petrofina	10875	10900
Royal Belge	4250	4540
Soc Gen Banque	6250	6320
Soc Gen Belgique	1990	1970
Sofina	11800	11850
Solvay	12600	12625
Tractebel	7700	7530
UCB	21700	21800
Powerfin	2450	2450

Current Stock Index : 5739.64
Previous : 5791.31

Frankfurt

	Close	Prev.
AEG	203.80	205.50
Allianz Hold	2106	2109
Altana	661.50	665
Asko	808	812
BASF	239.90	253
Bayer	281.80	280
Bay. Hypo bank	391	391
Bay Vereinsbk	399	400.50
BBC	675	670
BHF Bank	437.50	438
BMW	570	577.30
Commerzbank	263	264.80
Continental	270.20	274
Daimler Benz	781.20	785
Degussa	347.20	348.80
Dt Babcock	173.90	174.80
Deutsche Bank	705	708
Douglas	648	648.50
Dresdner Bank	350.40	353.80
Feldmuehle	530	525
Harpener	294	295
Henkel	614.50	616.50
Hochtief	1259	1240
Hoechst	249.50	249.50
Hoesch	251.90	252
Holzmann	1162	1175
Horten	132	182
IWKA	333	338.50
Kali Salz	152	153
Karstadt	608.50	607
Kaufhof	486	482
KHD	144	143.90
Kloeckner Werke	120.20	121
Krupp Stahl	141	139.20
Linde	841	846.30
Lufthansa	147.50	153.50
MAN	382.20	382.80
Mannesmann	280	282.20
Metallgesell	416.50	420.50
Muench Rueck	N.A.	N.A.
Nixdorf	114.50	124
PKI	527.50	526
Porsche	540	541
Preussag	398.50	405.50
PWA	237	243
RWE	396.10	397.50
Rheinmetall	287	291
Schering	819.50	818
SEL	385	399.50
Siemens	682.70	685.90
Thyssen	230.20	230.10
Varta	344	341.50
Veba	391.20	391.80
VEW	214.20	214.80
Viag	357.50	396
Volkswagen	378.80	380.30
Wella	616.50	619

DAX Index : 1738.29
Previous : 1734.83
FAZ Index : 699.29
Previous : 700.59

Helsinki

	Close	Prev.
Amer A	66	65
Enso-Gutzeit	21.50	22
K.O.P.	13.80	13.80
Kymmene	76	75.70
Metra	66	67
Nokia	71.50	71
Pohjola	62.50	62
Repola	42	43
Stockmann	170	168

HEX Index : 835.77
Previous : 830.37

Hong Kong

	Close	Prev.
Bk East Asia	27.90	27.40
Cathay Pacific	12.20	11.90
Cavendish Int'l	4.30	4.23
Cheung Kong	24.60	23.40
China Light Pwr	34	33.50
Dairy Farm Int'l	13.30	13.80
Hang Lung Dev	10.30	10.10
Hang Seng Bank	44	43.25
Henderson Land	19	18.70
HK Air Eng.	19	18.70
HK China Gas	13.80	13.40
HK Electric	17	16.90
HK Land	11.10	10.90
HK Realty Trust	8.30	8.15
HSBC Holdings	42	41.50
HK Shang Htls	5.65	5.30
HK Telecomm	9.45	9.30
HK Ferry	7.10	6.85
Hutch Whampoa	18.50	17.40
Hysan Dev	10.50	10.30
Jardine Math.	53	51.50
Jardine Str Hld	22.70	22
Kowloon Motor	9.40	9.35
Mandarin Orient	6.40	6.20
Miramar Hotel	8.15	7.85
New World Dev	18.20	17.50
SHK Props	32	31.25
Stelux	4.05	3.95
Swire Pac A	32.75	32
Tel Cheung Prps	7.20	7.15
TVE	2.83	2.83
Wharf Hold	15.30	14.90
Wing On Int'l	7.55	7.55
Winsor Ind.	12.90	12.60
World Int'l	6.90	6.75

Hang Seng Index : 5613.78
Previous : 5494.21

Johannesburg

	Close	Prev.
AECI	9.25	9.25
Altech	112.50	112.50
Anglo Amer	119	116.50
Barlows	57.25	55.85
Blyvoor	5	5
Buffels	22.75	22.75
De Beers	88.75	87.70
Driefontein	38	36.75
Gencor	11.60	11.30
GFSA	66.75	66
Harmony	16.25	15.75
Highveld Steel	11	11
Kloof	26	25.25
Nedbank Grp	18.50	18
Randfontein	15.25	14.50
Rusplat	74.25	73.50
SA Brews	54	53.15
St Helena	20	20
Sasol	18.35	18.30
Welkom	15.75	15.50
Western Deep	92	90.50

Composite Stock Index : 3585
Previous : 3453

Madrid

	Close	Prev.
BBV	2835	2805
Bco Central Hisp.	3725	3775
Banco Santander	4580	4675
Banesto	2850	2860
CEPSA	2355	2350
Dragados	1915	1910
Endesa	3350	3340
Ercros	330	315
Iberdrola I	743	742
Tabacalera	6520	6530
Telefonica	1060	1050

S.E. General Index : 249.85
Previous : 248.73

Milan

	Close	Prev.
Alenia	1900	1900
Banca Comm	3325	3433
Bastogi	140	135
Benetton group	13500	13500
Ciga hotels	1790	1745
CIR	1640	1677
Cred Ital	1710	1818
Enichem	1239	1250
Eridania	7310	7340
Ferfin	1725	1767
Ferfin Risp	1228	1227
Fiat SPA	5000	5070
Generali	29300	29850
IFI	12600	12825
Italcem	14650	14850
Italgas	3245	3340
Italmobiliare	48000	49050
Mediobanca	12700	13010
Montedison	1458	1459
Olivetti	2840	2710
Pirelli	1355	1375
RAS	19700	20150
Rinascente	6820	6855
Saipem	1641	1650
San Paolo Torino	11450	11860
SIP	1410	1427
SME	3460	3425
Snia	1170	1200
Standa	33300	33350
Stet	1903	2020
Toro Assi Risp	19990	20260

MIB Index : 976
Previous : 991

Markets Closed

The stock markets in London and Tokyo were closed Monday for a holiday.

Montreal

	Close	Prev.
Alcan Aluminum	24¾	24¾
Bank Montreal	43⅝	43⅝
Bell Canada	44	44
Bombardier A	14	14
Bombardier B	13⅞	13⅞
Cambior	7⅝	7⅝
Cascades	7¼	7½
Dominion Text A	8⅛	8¼
Donohue	N.Q.	—
MacMillan Bl	17⅝	17½
Nat'l Bk Canada	9	8⅝
Power Corp.	14½	14⅜
Provigo	7⅛	7⅛
Quebec Tel	16¾	16⅞
Quebecor A	N.Q.	13
Quebecor B	12⅝	12⅝
Teleglobe	12⅝	12⅝
Videotron	15⅝	15⅝

Industrials Index : 1612.27
Previous : 1629.53

Paris

	Close	Prev.
Accor	803	805
Air Liquide	790	785
Alcatel Alsthom	661	657
Axa	1014	1008
Bancaire (Cie)	476.10	475
BIC	764	751
Bouygues	658	653
BSN-GD	1173	1153
Carrefour	2575	2580
C.C.F.	187.50	186.80
Cerus	142	143.50
Chargeurs	1206	1214
Ciments Franc	455	N.A.
Club Med	545	550
Elf-Aquitaine	398	392
Gen. Eaux	2350	2348
Eurodisneyland	134.10	137
Hachette	N.A.	N.A.
Havas	525	526
Imetal	359	360.50
Lafarge Coppee	384	382.50
Legrand	4965	4945
Lyon. Eaux	551	550
Oreal (L')	867	865
L.V.M.H.	4380	4330
Matra	N.A.	N.A.
Merlin Gerin	549	544
Michelin B	207.10	206.20
Moulinex	171	174.90
Paribas	435.10	431.80
Pechiney Intl	207.50	218.20
Pernod-Ricard	1577	1565
Perrier	1700	1700
Peugeot	786	787
Printemps (Au)	800	792
Radiotechnique	578	575
Raff. St. Louis	1258	1241
Redoute (La)	5670	5640
Saint Gobain	591	592
Sanofi	1165	1122
S.E.B.	2290	2233
Ste Generale A	552	548
Suez	339.10	336
Thomson-CSF	161.50	163
Total	270.40	270
U.A.P.	528	527
Valeo	745	726

CAC 40 Index : 2041.42
Previous : 2031.34

Singapore

	Close	Prev.
Cerebos	2.73	2.71
City Dev.	4.20	4.10
DBS	11.60	11.40
Fraser Neave	10.10	10
Genting	8.05	7.90
Golden Hope Pl	1.29	1.30
Haw Par	2.38	2.32
Hume Industries	3.64	3.44
Inchcape	6.15	5.80
Keppel	8.40	8.85
KL Kepong	2.40	2.35
Lum Chang	0.98	0.96
Malayan Banks	5.30	5.30
OCBC	9	8.90
OUB	4.80	4.68
OUE	8.10	7.85
Sembawang	8.80	8.40
Shangrila	5.20	5.15
Sime Darby	2.75	2.68
SIA	12.50	12.40
S'pore Land	5.35	5.05
S'pore Press	8.85	8.80
Sing Steamship	2.53	2.46
Straits Trading	2.76	2.70
UOB	6.55	6.55
UOL	1.58	1.54

Straits Times Ind. : 1490.97
Previous : 1465.95

Stockholm

	Close	Prev.
AGA	290	280
Asea	363	362
Astra -A	323	325
Atlas Copco	300	303
Electrolux B	266	265
Ericsson	134	132
Esselte-A	154	153
Handelsbanken	74	73
Norsk Hydro	175	173
Procordia AF	190	190
Providentia	104	104
Sandvik A	397	394
SCA-A	114	112
S-E. Banken	47	47.50
Skandia F	130	118
Skanska	121	118
SKF	110	107
Stora	315	310
Trelleborg B	127	125
Volvo	421	420

Affaersvaerlden : 1059.87
Previous : 1052.91

Sao Paulo

	Close	Prev.
Banco do Brasil	260	266
Bradesco	115	115
Brahma	445	436
Paranapanema	43.30	43
Petrobras	11200	11200
Telebras	75	76.20
Vale Rio Doce	226	230
Varig	225	244

Bovespa Index : 22299
Previous : 22575

Sydney

	Close	Prev.
ANZ	4.58	4.48
BHP	14.16	14.18
Boral	3.53	3.53
Bougainville	0.41	0.43
Coles Myer	12.46	12.68
Comalco	3.85	3.81
CRA	14.24	14.36
CSR	4.78	4.83
Dunlop	5.61	5.62
Fosters Brew	1.53	1.55
Goodman Field	1.45	1.46
ICI Australia	5.98	5.90
Magellan	1.90	1.90
MIM	2.49	2.48
Nat Aust Bank	7.80	7.76
News Corp	19.90	19.54
Nine Network	N.A.	—
Pioneer Int'l	3.19	3.19
Nmndy Poseidon	1.10	1.06
N Broken Hill	2.20	2.21
QCT Resources	1.13	1.16
Santos	2.49	2.44
TNT	1.90	1.91
Western Mining	5.28	5.26
Westpac Banking	4.10	4.05
Woodside	3.74	3.77

All Ordinaries Index : 1664.40
Previous : 1665.20

Toronto

	Close	Prev.
Abitibi Price	15	14⅝
Agnico Eagle	4.30	4.30
Air Canada	5⅝	5½
Alberta Energy	16⅝	16⅝
Am Barrick Res	27⅝	27¼
BCE	44¼	44
Bk Nova Scotia	20	19⅞
BC Gas	16	16⅛
BC Phone	21½	21¼
BF Realty Hds	0.09	0.07
BP Canada	14⅛	13⅞
Bramalea	2.95	3
Brunswick	7⅛	7⅛
CAE	6	6
Campeau	N.Q.	—
CIBC	27⅝	27¾
Canadian Pacific	18	17¼
Can Packers	16⅛	16½
Can Tire A	18⅛	18⅛
Canadian Turbo	3.90	3.85
Cantor	27	26½
Cara	4.35	4.30
CCL Ind B	9	8⅝
Cineplex	3.15	3.20
Cominco	19⅞	19⅞
Conwest Expl A	N.Q.	—
Corona Int'l	6⅛	6⅛
Denison Min B	0.32	0.37
Dickenson Min A	4.05	N.Q.
Dofasco	15⅝	15½
Dylex A	4	3.80
Echo Bay Mines	N.Q.	—
Equity Silver A	0.98	0.99
FCA Int'l	6⅛	6⅜
Fed Ind A	6⅛	6⅞
Fletcher Chall A	14⅞	14⅝
FPI	4.05	4.18
GoldCorp	2.95	2.80
Grafton Group	0.35	N.Q.
Gulf Cda Res	8⅝	8½
Hees Int'l	14⅝	15
Hemlo Gld Mines	8⅝	8¾
Hollinger	11⅛	11⅛
Horsham	8¾	8½
Hudson's Bay	29	29
Imasco	36¾	36⅝
Inco	33⅝	33⅝
Interprov Pipe	25	25
Jannock	16	15⅞
Labatt	25⅛	25⅛
Loblaw Co	17½	17⅛
Mackenzie	5½	5½
Magna Int'l A	29⅞	29½
Maritime	20⅛	20¼
Mark Res	5	5
MacLean Hunter	11½	11⅛
Molson A	34½	33⅞
Noma Ind A	6⅛	6⅞
Noranda Inc	17⅛	17⅛
Noranda Forest	7⅛	8
Norcen Energy	18⅞	19
Nova Corp	8⅝	8½
Oshawa	17⅛	17½
Pagurin A	4.45	4.40
Placer Dome	11⅞	12
Poco Petroleum	4.80	4.85
PWA Corp	5	5⅛
Quebec Sturgeon	N.Q.	—
Rayrock	5⅝	4.80
Renaissance	13⅞	13⅞
Rogers B	13⅛	13⅞
Rothmans	93	93
Royal Bank Can	23⅞	23⅞
Royal TrustCo	7⅞	7⅞
Sceptre Res	0.67	0.65
Scott's Hosp	14⅞	14⅛
Seagram	144	142⅞
Sears Can	9⅛	9
Shell Can	43⅛	43⅝
Sherritt Gordon	8⅛	8⅛
SHL Systemhse	14⅞	14⅞
Southam	15⅞	17
Spar Aerospace	18⅞	19
Stelco A	N.Q.	—
Teck B	17⅞	17⅞
Thomson News	16	16
Toronto Domn	16⅛	16⅛
Torstar B	22	22⅛
Transalta Util	12½	12⅜
TransCda Pipe	16⅛	16⅛
Trilon Finl A	8⅞	8⅞
Trimac	8⅛	8
Trizec A	6⅛	6⅛
Unicorp Energy	1.70	1.70
Woodward's Ltd	1.33	1.30

TSE 300 Index : 3463.50
Previous : 3437.10

Zurich

	Close	Prev.
Adia Intl	395	402
Alusuisse	540	N.A.
Leu Holdings	N.A.	N.A.
Brown Boveri	4120	4060
Ciba Geigy	2690	2670
CS Holding	1975	1985
Elektrow	2440	2450
Fischer	1125	1120
Interdiscount	2340	2350
Jelmoli	1340	1340
Landis Gyr	1110	1110
Moevenpick	3800	3800
Nestle	9960	9860
Oerlikon-B	402	404
Pargesa Hld	1130	1120
Roche Holding B	3215	3160
Safra Republic	83	83
Sandoz	2630	2560
Schindler	3950	3970
Sulzer	590	594
Surveillance	7480	7460
Swissair	742	762
SBC	289	277
Swiss Reinsur	510	511
Swiss Volksbank	840	845
Union Bank	3760	3760
Winterthur	3490	3470
Zurich Ins	2090	N.A.

SBS Index : 642.58
Previous : 636.18

U.S. FUTURES

Via Associated Press May 4

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.53	2.80½	May	3.80	3.91	3.80	3.88½	+.10½
4.29½	2.77	Jul	3.61½	3.75½	3.61½	3.74¾	+.15¼
4.42	2.92	Sep	3.66¾	3.80	3.66½	3.79¾	+.15½
4.40	3.29½	Dec	3.74	3.86½	3.74	3.85¾	+.15¾
4.18½	3.63	Mar	3.75	3.85½	3.75	3.85	+.14
3.75	3.50	May	3.64	3.74	3.64	3.73	+.14
3.72	3.02	Jul	3.43	3.55	3.43	3.51	+.09
3.55	3.43	Sep				3.56	+.09
Est. Sales		Prev. Sales 11,343					
Prev. Day Open Int. 50,480 up 924							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		May	3.74	3.81	3.72	3.79	+ .11¼
		Jul	3.62	3.75	3.62	3.73¾	+ .15½
		Sep	3.63½	3.78	3.63½	3.76¾	+ .16¼
		Dec	3.72	3.85	3.72	3.85	+ .16½
		Mar	3.83½	3.85½	3.83½	3.85½	+ .16½
		May				3.75	+ .16¼
Est.Sales 28,580		Prv.Sales 26,100		Prev.Day Open Int		unch	Chg.
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.79¾	2.34¾	May	2.48¼	2.57	2.48¼	2.53¼	+.05½
2.84	2.39½	Jul	2.54¼	2.64¼	2.54¼	2.59¾	+.06½
2.79½	2.36½	Sep	2.53	2.63	2.53	2.59¾	+.07¼
2.75¾	2.36½	Dec	2.54	2.63½	2.54	2.59¾	+.07
2.81¼	2.54¾	Mar	2.62¼	2.71	2.62¼	2.67¾	+.07¼
2.84¾	2.59½	May	2.68¾	2.74	2.68¼	2.72	+.07¼
2.80	2.63¼	Jul	2.71	2.78	2.71	2.77	+.07¼
2.60	2.54½	Dec	2.60	2.63	2.40	2.61	+.03
Est. Sales		Prev. Sales 53,915					
Prev. Day Open Int.239,826 up 1,061							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.48	5.47	May	5.83	5.91½	5.83	5.85¼	+.01½
6.48	5.47½	Jul	5.89	5.97	5.89	5.92¼	+.02
6.40	5.67½	Aug	5.94½	6.00	5.93½	5.95¾	+.01½
6.28	5.57	Sep	5.97½	6.02	5.97½	6.00	+.03
6.30½	5.52	Nov	6.07	6.14½	6.05½	6.07½	+.02¾
6.38½	5.58	Jan	6.14	6.23½	6.14	6.16½	+.02½
6.47½	5.93	Mar	6.27	6.32¾	6.25	6.25	+.02½
6.52	5.72½	May	6.37½	6.37½	6.32	6.32	+.03
6.42	6.17	Jul	6.38	6.44½	6.37½	6.37½	+.03
6.10	5.98	Nov	6.11	6.19	6.11	6.15	+.04
Est. Sales		Prev. Sales 44,729					
Prev. Day Open Int.115,128 up 299							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
194.00	164.50	May	174.90	177.00	174.90	175.10	+.50
196.00	166.00	Jul	178.00	180.00	177.60	177.80	—.10
188.50	170.90	Aug	179.10	181.20	179.00	179.20	+.10
187.40	171.30	Sep	180.30	182.30	180.30	180.30	—.10
202.00	182.30	Oct	197.30	199.40	197.20	197.80	
204.00	182.50	Dec	197.50	199.70	197.30	198.40	+.80
204.50	190.80	Jan	197.50	199.50	197.50	198.70	+.70
204.50	192.80	Mar	198.50	201.00	198.50	198.50	—.50
Est. Sales		Prev. Sales 20,931					
Prev. Day Open Int. 53,905 off 1,561							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
23.90	18.93	May	19.73	20.46	19.73	20.17	+.44
24.30	19.25	Jul	20.02	20.75	20.02	20.46	+.43
22.30	19.42	Aug	20.18	20.89	20.17	20.61	+.44
22.30	19.57	Sep	20.52	21.05	20.52	20.75	+.43
22.30	19.66	Oct	20.65	21.20	20.63	20.90	+.43
22.60	19.93	Dec	20.78	21.50	20.77	21.25	+.47
22.38	20.05	Jan	21.30	21.50	21.22	21.35	+.45
22.65	20.50	Mar	21.65	21.65	21.65	21.65	+.55
22.65	21.00	May				21.80	+.50
21.30	21.25	Jul				22.00	+.40
Est. Sales		Prev. Sales 30,799					
Prev. Day Open Int. 70,098 off 440							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.25	67.40	Jun	73.40	74.15	73.30	74.12	+.85
72.60	65.90	Aug	70.30	71.17	70.30	71.15	+.93
72.00	66.25	Oct	69.85	70.70	69.83	70.52	+.72
71.60	67.20	Dec	69.70	70.15	69.60	70.05	+.50
70.75	68.10	Feb	69.60	69.70	69.40	69.40	+.35
70.90	69.85	Apr	70.45	70.90	70.45	70.80	+.48
68.50	67.50	Jun	68.45	68.95	68.45	68.65	+.45
Est. Sales 17,609		Prev. Sales 11,753					
Prev. Day Open Int. 84,306 up 1,683							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
86.50	72.65	May	78.10	78.25	77.70	77.97	+.05
83.00	72.65	Aug	79.47	79.85	79.15	79.57	—.05
82.20	72.15	Sep	75.05	75.20	74.65	74.87	—.13
79.50	72.38	Oct	75.05	75.05	74.58	74.62	+.07
83.00	73.50	Nov	75.25	75.55	74.95	75.05	
Est. Sales 1,844		Prev. Sales					
Prev. Day Open Int.							
HOGS (CME) 40,000 lbs.- cents per lb.							
50.60	42.97	Jun	48.30	48.60	48.05	48.42	+.12
48.20	43.05	Jul	46.20	46.40	45.82	46.10	+.08
46.85	41.80	Aug	44.00	44.30	43.75	44.02	+.10
42.95	39.20	Oct	40.77	41.80	40.70	40.87	+.10
45.15	41.10	Dec	43.02	43.22	42.95	43.10	+.08
47.25	43.40	Feb	44.15	44.15	43.95	44.00	—.05
43.50	41.80	Apr	42.50	42.70	42.45	42.52	+.12
Est. Sales 3,969		Prev. Sales 3,804					
Prev. Day Open Int. 22,337 up 251							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
58.20	33.40	May	34.45	35.08	34.20	34.92	+.27
57.00	33.30	Jul	34.50	35.25	34.25	35.17	+.77
51.00	31.55	Aug	32.58	33.00	32.12	32.83	+.62
49.30	42.10	Feb	42.22	42.40	42.05	42.05	+.30
49.00	41.95	Mar	42.70	42.70	42.32	42.32	+.17
50.50	42.02	May	42.60	42.80		42.80	+.25
Est. Sales		Prev. Sales 2,110					
Prev. Day Open Int. 12,925 up 48							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
108.00	60.80	May	60.50	60.60	59.90	60.40	—.47
108.00	61.80	Jul	61.90	62.10	61.80	61.40	—.45
108.80	63.95	Sep	64.00	64.10	63.30	63.75	—.35
107.25	67.20	Dec	67.40	67.40	66.75	67.15	—.35
94.75	70.80	Mar	71.00	70.50	70.40	70.75	—.35
96.50	73.50	May	73.30	73.25	73.00	72.95	—.35
87.85	77.00	Jul	73.00	75.25	75.25	75.65	+.50
84.00	82.40	Sep	77.80	78.00	78.00	78.25	+.35
Est. Sales 6,319		Prev. Sales 5,929					
Prev. Day Open Int. 57,125 up 115							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
10.34	7.45	May	8.90			8.88	—.07
9.94	7.80	Jul	9.48	9.55	9.35	9.47	+.04
9.22	7.93	Oct	9.04	9.06	8.96	9.01	—.04
9.06	8.20	Mar	8.96	8.99	8.91	8.91	—.05
8.92	8.69	Jul	8.86			8.85	—.12
		Oct	8.81			8.82	
Est. Sales 4,732		Prev. Sales 21,897					
Prev. Day Open Int. 95,074 off 2,258							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1388	876	May	910	910	900	904	+3
1410	917	Jul	943	952	940	946	+8
1427	962	Sep	988	993	984	989	+1
1460	1015	Dec	1043	1047	1036	1041	+5
1239	1064	Mar	1086	1086	1086	1084	+3
1518	1097	May				1114	+3
1530	1120	Jul				1142	+3
1536	1180	Sep				1172	+3
1500	1233	Dec				1210	+3
Est. Sales 1,062		Prev. Sales 2,185					
Prev. Day Open Int. 46,935 up 42							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
177.95	115.00	May	136.00	137.00	134.50	134.65	+4.90
175.50	115.25	Jul	128.60	129.00	126.60	127.90	+2.70
173.00	116.50	Sep	122.50	122.50	119.85	119.85	+2.10
165.50	111.00	Nov	115.00	116.00	115.00	113.00	+.30
163.00	110.40	Jan	115.00	115.50	113.10	113.10	+.30
145.00	110.15	Mar	115.00	113.10	113.10	113.10	+.50
122.75	115.00	May	115.00			112.60	+.50
130.00	118.00	Jul	115.00			112.60	+.50
		Sep	115.00			112.60	+.50
Est. Sales		Prev. Sales 942					
Prev. Day Open Int. 12,146 off 34							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
104.20	93.50	May	99.10	100.05	99.10	99.95	+.70
103.10	93.10	Jun	100.10	100.20	100.10	100.20	+.70
103.80	92.80	Jul	99.70	100.70	99.70	100.50	+.70
102.00	95.70	Aug				100.60	+.60
102.45	92.80	Sep	100.30	100.90	100.10	100.80	+.60
102.30	93.90	Oct				100.85	+.60
102.00	96.00	Nov				100.90	+.65
102.15	91.60	Dec	100.45	100.95	100.45	100.95	+.65
101.00	2.50	Jan				100.95	+.65
100.60	99.40	Feb				100.55	+.65
102.50	92.80	Mar	100.00	100.20	99.90	100.20	+.60
		Apr				100.05	+.60
101.25	93.70	May				99.98	+.55
101.15	95.80	Jul				99.40	+.55
101.20	95.80	Sep				99.08	+.55
101.05	97.80	Dec				98.55	+.65
		Jan				98.50	+.65
100.80	99.15	Mar				98.40	+.65
Est. Sales 4,500		Prev. Sales 4,009					
Prev. Day Open Int. 40,099 off 255							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
589.0	384.5	May	398.0	400.0	397.5	400.2	+5
412.0	410.0	Jun				401.5	+3
557.0	388.5	Jul	401.0	403.5	399.5	402.8	+3
483.0	395.0	Sep	404.5	406.5	404.5	406.0	+3
507.0	398.0	Dec	408.5	411.0	408.5	410.8	+3
505.0	412.0	Jan				412.5	+3
513.0	407.0	Mar				416.3	+3
473.0	411.0	May	420.5	420.5	420.5	420.2	+3
470.5	412.5	Jul				424.2	+3
469.0	418.0	Sep				428.5	+3
462.0	431.0	Dec				435.4	+3
441.0	441.0	Jan				438.4	+3
		Mar				442.8	+3
Est. Sales 6,000		Prev. Sales 15,000					
Prev. Day Open Int.							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
427.50	331.00	Jul	353.50	354.50	351.50	352.10	—2.30
404.00	334.00	Oct	356.50	358.50	357.00	357.10	—2.20
384.00	339.00	Jan	358.00	358.00	358.00	357.20	—2.20
409.90	349.80	Apr				358.70	—2.20
Est. Sales		Prev. Sales 5,585					
Prev. Day Open Int. 15,587 off 617							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
351.90	335.00	May				337.30	—1.70
467.00	334.90	Jun	338.30	338.50	337.00	337.60	—1.70
		Jul				338.50	—1.70
426.50	337.80	Aug	340.30	340.30	339.20	339.50	—1.70
410.80	339.00	Oct	341.00	341.70	341.00	341.30	—1.70
406.80	341.10	Dec	344.30	344.30	343.00	343.30	—1.70
404.20	344.00	Feb				345.60	—1.70
410.00	346.60	Apr				347.90	—1.70
411.80	349.70	Jun				350.40	—1.70
395.50	354.50	Aug				353.10	—1.70
395.00	365.60	Oct				355.90	—1.70
383.00	358.50	Dec				358.70	—1.70
364.50	364.50	Feb				361.80	—1.70
Est. Sales 15,000		Prev. Sales 15,000					
Prev. Day Open Int.112,144 off 1,580							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
96.37	94.15	Jun	96.29	96.31	96.28	96.29	—.02
96.20	93.87	Sep	96.03	96.04	95.99	96.03	
95.79	93.98	Dec	95.48	95.51	95.47	95.51	
95.47	95	Mar	95.23	95.23	95.21	95.23	—.03
Est. Sales 2,922		Prev. Sales 6,487					
Prev. Day Open Int. 46,641							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
106.070	102.005	Jun	104.080	104.110	104.045	104.100	+.010
103.315	102.030	Sep	103.015	103.070	103.015	103.065	+.010
101.140	101.120	Dec				103.095	+.010
Est. Sales		Prev. Sales 12,803					
Prev. Day Open Int.132,857 up 134							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
105-9	98-11	Jun	102-8	102-9	101-30	102-3	—6
105-11	99-10	Sep	101	101-1	100-24	100-30	—7
103-28	99-15	Dec	99-27	99-27	99-27	99-27	—7
100-6	97-26	Mar				98-26	—7
Est. Sales		Prev. Sales 26,680					
Prev. Day Open Int.102,545 up 321							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
104-16	85-8	Jun	98-24	98-24	98-8	98-14	—9
103-10	87-14	Sep	97-18	97-18	97-4	97-10	—8
102-9	85-6	Dec	96-11	96-11	96-2	96-6	—8
101-15	90-16	Mar	95-12	95-12	95-10	95-10	—8
100-14	90-22	Jun	94-14	94-14	94-14	94-14	—8
99-1	90	Sep	93-15	93-20	93-15	93-20	—8
98-15	93-8	Dec				92-29	—8
97	92-8	Mar				92-6	—8
97-17	91-6	Jun				91-21	—8
96-20	90-12	Sep				91-4	—8
Est. Sales		Prev. Sales250,040					
Prev. Day Open Int.331,114 up 7,196							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
97-2	92-14	Jun	93-31	94-3	93-27	94-1	
95-10	92-6	Sep	93-29	93	92-29	93	
93-14	91-20	Dec				92-19	
Est. Sales		Prev. Sales 2,084					
Prev. Day Open Int. 10,327 off 264							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
95.98	90.38	Jun	95.95	95.96	95.92	95.94	—.01
95.76	90.32	Sep	95.60	95.61	95.55	95.60	
95.30	90.28	Dec	94.86	94.88	94.81	94.86	—.01
94.84	90.46	Mar	94.43	94.44	94.37	94.42	—.01
94.42	90.27	Jun	94.11	94.12	94.08	94.11	—.01
94.21	90.27	Sep	93.62	93.64	93.60	93.63	—.01
93.65	90.22	Dec	93.08	93.08	93.05	93.07	—.02
93.06	90.28	Mar	92.97	92.97	92.94	92.96	—.02
93.23	90.40	Jun	92.71	92.71	92.69	92.71	—.02
93.01	90.36	Sep	92.48	92.48	92.44	92.46	—.02
92.65	90.77	Dec	92.06	92.07	92.04	92.06	—.02
93.50	90.24	Mar	92.01	92.01	91.99	92.01	—.02
92.50	90.71	Jun	91.81	91.82	91.79	91.81	—.02
92.36	91.31	Sep	91.62	91.68	91.66	91.67	[illegible]
92.39	91.12	Dec	91.46	91.46	91.44	91.46	[illegible]
92.45	90.75	Mar	91.50	91.50	91.48	91.48	[illegible]
Est. Sales111,928		Prev. Sales244,549					
Prev. Day Open Int.1314587 up 14,717							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.8330	1.6510	Jun	1.7664	1.7720	1.7628	1.7658	[illegible]
1.8000	1.6490	Sep	1.7410	1.7460	1.7380	1.7402	[illegible]
1.7264	1.6280	Dec	1.7200	1.7240	1.7164	1.7176	[illegible]
Est. Sales 2,681		Prev. Sales 11,010					
Prev. Day Open Int. 33,623 up 448							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8820	.8263	Jun	.8376	.8380	.8362	[illegible]	[illegible]
.8774	.8191	Sep	.8319	.8335	.8312	[illegible]	[illegible]
.8740	.8130	Dec	.8277	.8277	.8260	[illegible]	[illegible]
.8310	.8118	Mar				[illegible]	[illegible]
.8220	.8060	Jun	.8185		.8185	[illegible]	[illegible]
		Sep				[illegible]	[illegible]
Est. Sales		Prev. Sales 5,441					
Prev. Day Open Int. 19,985 off 600							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6490	.5552	Jun	.6053		.6035	[illegible]	[illegible]
.6400	.5485	Sep	.5939	.5965	.5935	[illegible]	[illegible]
.6106	.5750	Dec	.5887	.5887	.5860	[illegible]	[illegible]
.5900	.5724	Mar				[illegible]	[illegible]
Est. Sales		Prev. Sales 35,259					
Prev. Day Open Int. 74,452 off 132							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008122	.007150	Jun	.007528	.007550	.007487	[illegible]	[illegible]
.007983	.007280	Sep	.007520	.007533	[illegible]	[illegible]	[illegible]
.008045	.007410	Dec				[illegible]	[illegible]
.007580	.007445	Mar				[illegible]	[illegible]
Est. Sales		Prev. Sales 13,533					
Prev. Day Open Int.							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7326	.6405	Jun	.6601	.6622	[illegible]	[illegible]	[illegible]
.7230	.6335	Sep	.6525	.6550	[illegible]	[illegible]	[illegible]
.6980	.6280	Dec	.6444		.6438	[illegible]	[illegible]
Est. Sales		Prev. Sales 17,498					
Prev. Day Open Int. 37,331 off 328							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
92.25	53.25	May	61.40	62.20	61.30	[illegible]	[illegible]
77.70	54.80	Jul	61.10	62.07	61.80	[illegible]	[illegible]
70.60	57.66	Oct	61.90	63.00	61.90	[illegible]	[illegible]
69.00	58.45	Dec	62.32	63.45	62.30	[illegible]	[illegible]
67.30	59.90	Mar	63.35	64.50	64.00	[illegible]	[illegible]
64.25	60.40	May	63.65	64.90	63.65	[illegible]	[illegible]
65.20	61.00	Jul	63.75	64.90	63.75	[illegible]	[illegible]
64.49	64.49	Oct	64.38			[illegible]	[illegible]
Est. Sales		Prev. Sales 12,141					
Prev. Day Open Int. 39,666 up 664							
HEATING OIL (NYME) 42,000 gal- cents per gal							
60.20	48.00	Jun	56.25	57.75	[illegible]	[illegible]	[illegible]
59.65	49.50	Jul	56.15	57.48	[illegible]	[illegible]	[illegible]
59.75	50.70	Aug	57.00	57.95	[illegible]	[illegible]	[illegible]
60.90	52.00	Sep	58.25	59.20	[illegible]	[illegible]	[illegible]
61.70	53.15	Oct	59.25	60.10	[illegible]	[illegible]	[illegible]
62.60	54.30	Nov	60.45	60.75	[illegible]	[illegible]	[illegible]
63.50	55.25	Dec	61.50	61.80	[illegible]	[illegible]	[illegible]
63.75	55.75	Jan	61.75	61.95	[illegible]	[illegible]	[illegible]
59.50	54.75	Feb				[illegible]	[illegible]
58.00	53.10	Mar	58.40	58.40	58.40	[illegible]	[illegible]
56.18	52.25	Apr				[illegible]	[illegible]
54.50	49.50	May				[illegible]	[illegible]
54.25	50.00	Jun				[illegible]	[illegible]
53.90	50.95	Jul	54.20	54.20	54.20	[illegible]	[illegible]
		Aug				[illegible]	[illegible]
		Oct				[illegible]	[illegible]
Est. Sales		Prev. Sales 14,434					
Prev. Day Open Int. 83,527 off 1,857							
LIGHT SWEET CRUDE (NYME) 1,000 bbl.- dollars per bbl.							
24.50	17.70	Jun	20.75	21.15	[illegible]	[illegible]	[illegible]
22.11	17.90	Jul	20.74	21.18	[illegible]	[illegible]	[illegible]
21.80	17.75	Aug	20.74	21.12	[illegible]	[illegible]	[illegible]
24.00	17.78	Sep	20.76	21.03	[illegible]	[illegible]	[illegible]
21.56	18.42	Oct	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21.48	18.50	Nov	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24.00	18.25	Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21.36	18.42	Jan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21.29	18.67	Feb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20.17	18.97	Jul	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20.12	19.25	Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Est. Sales		Prev. Sales 69,495					
Prev. Day Open Int.324,174 up 3,941							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
67.70	53.80	Jun	64.50	65.59	[illegible]	[illegible]	[illegible]
66.30	54.30	Jul	64.80	64.75	[illegible]	[illegible]	[illegible]
64.85	55.25	Aug	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63.00	52.45	Sep	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
60.20	53.10	Oct	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
58.40	53.00	Nov	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
57.80	53.50	Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
55.80	54.65	Jan				[illegible]	[illegible]
		Feb				[illegible]	[illegible]
Est. Sales		Prev. Sales					
Prev. Day Open Int. 81,975 off 3,174							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
424.20	374.50	Jun	413.30	418.40	413.20	[illegible]	[illegible]
425.50	379.00	Sep	414.75	419.80	[illegible]	[illegible]	[illegible]
425.80	395.50	Dec	417.00	421.70	[illegible]	[illegible]	[illegible]
422.00	397.30	Mar	418.40	[illegible]		[illegible]	[illegible]
Est. Sales		Prev. Sales 47,917					
Prev. Day Open Int.135,272 up 1,455							
NYSE COMP. INDEX (NYFE) points and cents							
233.50	206.50	Jun	227.65	230.15	227.65	[illegible]	[illegible]
233.65	212.55	Sep	228.35	230.60	[illegible]	[illegible]	[illegible]
234.00	218.25	Dec				[illegible]	[illegible]
228.00	225.00	Mar				[illegible]	[illegible]
Est. Sales		Prev. Sales					
Prev. Day Open Int. 4,346 up 534							

Commodity Indexes

	Close	Previous
Moody's	1,010.50	[illegible]
Reuters	1,596.50	[illegible]
D.J. Futures	119.35	[illegible]
Com. Research	208.34	[illegible]

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

EC Balks at EMS Links for Scandinavia

By Charles Goldsmith
International Herald Tribune

OPORTO, Portugal — The European Community is likely to delay a move by Scandinavian countries for closer ties with the EC's exchange-rate system until it sees how the next phase of monetary union goes, officials say.

Sweden, which has already applied for Community membership, is pushing especially hard for early "associate" membership in the EC monetary system, which ties Community currencies within a narrow range of each other to prevent wild fluctuations.

Associate membership would allow the Swedish currency to be governed by the European monetary system while Sweden's membership request in the EC is pending. Sweden does not expect to be granted EC membership until 1995.

Such outside links are envisaged under a resolution adopted by Community leaders 13 years ago, but they have never been granted. The issue is expected to be the centerpiece of a meeting of EC finance ministers here on Friday and Saturday.

"It's a very sensitive issue," said an EC source close to the Community's internal debate over whether to grant such special status. "There's a feeling among many countries that we shouldn't grant any associate membership until we see how stage two of our own economic and monetary union proceeds."

The second stage of monetary union calls for the creation of a European Monetary Institute, the planned forerunner to a European central bank, in 1994, followed by the adoption of a common currency by no later than 1999 in the third and final stage.

That tidy timetable was included in a treaty adopted by Community leaders at their summit in Maastricht, the Netherlands, in December. But there have been widespread doubts over whether EC nations can meet the pact's strict criteria on budget deficits and other economic factors, which are prerequisites for joining in a common currency.

Such uncertainty has led to "a feeling that it might be better to wait and see" on the Scandinavian requests for closer monetary links, said an EC diplomat involved in the debate.

Sweden, Norway and Finland have unilaterally pegged their currencies to the European currency unit, which now comprises a weighted basket of EC currencies, but they would prefer closer ties with the exchange-rate mechanism to include a narrow range of fluctuation with each Community currency. Such an arrangement would ensure currency-intervention commitments by central banks in each EC country, as well as parallel responsibilities for the Scandinavian nations' central banks.

"We now have unilateral coupling, which allows the Swedish krona to fluctuate plus or minus 1.5 percent against the Ecu," said a Swedish official. "But within the Ecu basket, there are fluctuations between the various currencies, so that means much larger possible fluctuations between the krona and individual currencies, of 3.5 percent or 4 percent or even more."

Most EC currencies are tied within the narrow, 2.25 percent band of the exchange-rate mechanism, although the British pound, Spanish peseta and Portuguese escudo are in the wider, 6 percent band. The Greek drachma is not included in the system.

The Swedish official said recent pressure on the Finnish markka had wildly varying effects on the Swedish currency, which might have been prevented through closer ties with the EC system.

Norway made an informal bid for associate membership with the EC monetary system in 1990 and was rebuffed, but officials say it would be more difficult to reject Sweden's request because it has already applied to join the Community.

A resolution adopted by EC leaders in creating the monetary system in 1979 says that European countries with "particularly close economic and financial ties with the EC may participate" in the exchange-rate mechanism, and Sweden argues that it fits that description.

"We are more *communautaire* than some members of the Community," Prime Minister Carl Bildt of Sweden said at a recent Brussels news conference. "And I won't take any follow-up questions on that point," he added with a smile before journalists could ask which EC countries he had in mind.

Sweden Victorious In Procordia Battle

Compiled by Our Staff From Dispatches

STOCKHOLM — The Swedish government prevailed Monday in its battle with Volvo AB over the automaker's plan to merge with Procordia AB, the food and pharmaceuticals conglomerate.

Under an agreement announced by Volvo, the automaker would raise its 42.7 percent voting stake in Procordia to 45 percent, while the government's voting share would fall to 40.4 percent, from 42.7 percent. Volvo said the state planned to divest itself of its entire stake.

The accord includes a mechanism to prevent a takeover of Procordia, although this might require Volvo to buy the entire company. Otherwise, there is no intention to revive the original merger plans, Volvo said.

In January, the two companies announced a plan to merge through a stock swap and warned Procordia would be vulnerable to a foreign takeover if the merger fell through.

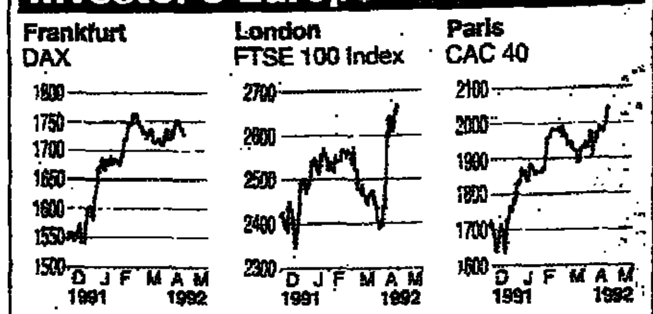
Volvo and Procordia began their link in 1990. At the time, the automaker sold its food and drug interests to Procordia in exchange for the stake it now holds.

Since then, however, a non-Socialist government has come to power and has said it would sell its Procordia stake. The government rejected the January merger plan, saying it did not make industrial sense and would cost taxpayers money.

Observers said the merger was part of a plan for Volvo to boost its ties or even merge with Renault, the French state-controlled carmaker with which Volvo has cross-shareholdings. Analysts said a Renault-Volvo merger would depend on Volvo's unrestricted access to Procordia's cash-flow.

The government now plans to sell its entire Procordia holding to "buyers of all categories" in Sweden and overseas, Volvo said. The automaker also must protect Procordia against a takeover. If a buyer purchases more than 5 percent of Procordia's shares, Volvo will have the right of first refusal before the sale can be made. If Volvo then acquires more than 20 percent, it must offer to buy all the outstanding shares. *(Bloomberg, Reuters)*

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	129.90	128.80	+0.85
Brussels	Stock Index	5,739.84	5,791.31	-0.89
Frankfurt	DAX	1,728.29	1,734.03	-0.33
Frankfurt	FAZ	699.29	700.99	-0.24
Helsinki	HEX	835.77	830.57	+0.63
London	Financial Times 30	N.A.	2,081.70	- -
London	FTSE 100	N.A.	2,659.80	- -
Madrid	General Index	249.05	248.73	+0.13
Milan	MIB	976.00	991.00	-1.51
Paris	CAC 40	2,041.62	2,031.14	+0.52
Stockholm	Affarsvarlden	1,059.87	1,052.91	+0.66
Vienna	Stock Index	441.95	446.31	-0.98
Zurich	SBS	663.50	658.10	+0.82

Sources: Reuters, AFP

International Herald Tribune

KUWAIT: *Spending Spree Prompts Fears of Debt*

(Continued from first finance page)

program covering $20 billion in bad loans owed by its citizens and businesses.

This month the government wrote off telephone, water and electricity bills that were past due to state-owned utilities over the last year and a half.

And with the country's population nearly halved by the exodus brought on by the Iraqi invasion, the government is proposing to buy hundreds of empty apartment buildings from Kuwaiti landlords, adding several hundred million dollars more to its obligations. In addition, significant increases in government salaries have been granted.

The total cost of rehabilitating Kuwait's oil industry is put at $8 billion to $10 billion, none of which is covered by insurance.

This year, for the first time in decades, the government approved a deficit in the federal budget, a shortfall of $18 billion in a spending plan of $21 billion.

"Do we have the money?" said Abdallah al-Nibari, an economist who is a former member of Parliament and a leading figure in the Democratic Forum, an opposition group. "This is a big question."

"Even if we have it, why squander it by settling bad loans for many Kuwaitis who are rich enough and perfectly capable of repaying their obligations?" Mr. Nibari said.

Other prominent Kuwaitis argue that the habit of throwing money at every problem is turning Kuwait into a nation of dependent and idle consumers who increasingly expect government largess as their due.

"The government has no vision of the future, said Soleiman Muttawa, a former planning minister and member of the Civil Service Council, an advisory body. "The legacy of such a policy is that the average Kuwaiti citizen is learning to expect rewards every time we have a national calamity like the collapse of the stock market a few years ago and the invasion in 1990."

"What we should do instead is ask people to sacrifice and participate in rebuilding the nation."

The spending issue is made more controversial by the secretive way the government manages its reserves.

The assets are kept under a portfolio called the Fund for Future Generations, which was set up more than two decades ago and fed by surpluses from Kuwait's prodigious oil income.

That money sustained hundred of thousands of Kuwaitis abroad during the seven-month Iraqi occupation beginning in August 1990.

European Airlines Plead For Exemption From VAT

Reuters

BRUSSELS — European airlines pleaded on Monday to be exempted from European Community plans to impose value-added tax on transport services from 1993, saying fares would go up if their request was turned down.

"The consequence," said Giovanni Bisignani, president of the Association of European Airlines, "is that air fares will be considerably increased.

"Under those circumstances, we have no other choice in air transport but to ask for an exemption or a zero VAT rate," he said in a statement released after a meeting of European airline presidents.

Under EC plans, which have not yet been approved by EC governments, VAT would be levied on all transport services under the single-market regime starting next year.

The association said that if its 22 members had to pay VAT, administrative costs also would spiral.

It also argued against EC Commission plans to introduce an environmental tax on energy to discourage emissions of carbon dioxide.

■ Airbus Moves on A-319

Deutsche Aerospace and Aerospatiale have agreed on major details for plans to sell an Airbus A-319 plane, Bloomberg Business News reported from Paris.

The German and French partners of the Airbus consortium are likely to finalize details this week to allow airlines to make firm orders, an Airbus spokeswoman said.

STET Offering Sends Shares Lower in Milan

Reuters

MILAN — Shares in STET SpA and several other state-controlled companies plunged Monday as the announcement of a large offering of shares in STET, Italy's telecommunications company, sparked fears of more capital issues.

STET closed 6.5 percent lower at 1,899 lire ($1.52). Istituto per la Ricostruzione Industriale, the government's holding company, said last Thursday that it planned to offer 350 million STET common shares with warrants, a nearly 8 percent increase in the number of shares outstanding.

Among other IRI controlled companies, Credito Italiano SpA fell 108 lire to 1,710 and its sister bank, Banca Commerciale Italiana, fell 98 to 3,320.

Very briefly:

- **Midland Bank PLC's** chairman Sir Peter Walters told shareholders in a letter assessing a £3.3 billion ($5.9 billion) offer from **HSBC Holdings PLC** and a possible £3.7 billion bid from **Lloyds Bank PLC** that the board would recommend accepting the HSBC bid; shareholders meet Tuesday.
- **Prime Minister Pierre Bérégovoy** called on the French to spread the word that their economy had a strong future thanks to monetary stability, improving employment conditions and his "quiet reforms."
- **MMB SA** posted a 1991 net loss of 448.2 million French francs ($81 million) because of a 1.93 billion franc loss at its **Hachette SA** unit.
- **Acec-UM SA**, the Belgian metals company, could return to profit this year if the unexpected rise in zinc prices is sustained, analysts said.
- **Nokia Telecommunications Ltd.**, a unit of Nokia Corp., said it had won a deal to develop and install a mobile radio system for **Hydro Electric**, a Scottish energy company, that is worth tens of millions of markkaa.
- **Tampella Ltd.** of Finland said **L&C Steinmüller GmbH**, a unit of Philipp Holzman AG of Germany, would take a 40 percent stake in Tampella Power through a share issue; no terms were announced.
- **The EC Commission** has exempted exclusive supply contracts between small breweries and pubs, restaurants and other outlets from the European Community's fair-trade rules.
- **Union des Assurances de Paris** said it had no plans to launch a bid for **Skandia AB**; a Norwegian newspaper had reported that UAP and **Compagnie Financière de Paribas SA** might launch an unfriendly bid for Skandia.
- **Pinault SA**, the retail group, said its 1991 consolidated net profit fell 52 percent, to 503 million French francs ($90 million), because of a sharp drop in exceptional gains; sales rose 11 percent.

AFP, Reuters, AP, AFX, Bloomberg

— ADVERTISEMENT —

INTERNATIONAL FUNDS

May 4, 1992

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: d - daily; w - weekly; b - bi-monthly; r - regularly; t - twice weekly; m - monthly

Fund	Cur.	Price
ABC INVESTMENT & SERVICES CO (E.C.)		
m ABC Futures Fund Ltd	$	112.65
ABN AMRO BANK, P.O. Box 489, Amsterdam		
w ABN AMRO Amsterdendens	Fl	81.92
w ABN AMRO America-Fd	$	38.88
w ABN-Belegginsfonds Ned.	Fl	64.80
w Aldollar	$	26.20
w Alrente	Fl	194.80
w Asian Tigers Fund	$	34.25
w ColombieSecurities	Fl	125.38
w LDC Risk Inv. Fund	$	1386.48
w Trans Europe Fund	$	44.59
w Trans Europe Fund Fl	Fl	82.64
AIG FUND MANAGEMENT Ltd		
d AIG Amer. Eq. Trust	$	27.1110
w AIG Balanced World Fd	$	97.7718
b AIG Japan Fund	$	83.9546
w AIG South East Asia Fd	$	119.9596
w AIG Taiwan Fund	$	9.364
d High Life Fund	Ecu	9.80
d UBZ Euro-Optimizer Fund	Ecu	10.85
d UBZ Liquidity Fund $	$	105.7267
d UBZ Liquidity Fund DM	DM	188.3960
d UBZ Liquidity Fund Ecu	Ecu	106.8374
d UBZ Liquidity Fund SF	SF	108.0593
ALFRED BERG		
d Alfred Berg Norden	$	135.81
Alfred Berg Sicav		
d Germany	DM	215.78
d Global	$	143.68
d Netherlands	Fl	193.06
d North America	$	107.74
d Switzerland	SF	136.72
d U.K.	£	63.54
ALPHA ASSET MANAGEMENT LTD		
De Ruyterkade 62, Curacao NA 5999 617844		
m Alpha Europe Fund	Ecu	216.34
m Alpha Futures Fund Ltd	$	153.84
m Alpha Global Fund	$	724.95
m Alpha Hedge Fund	$	348.63
m Alpha Japan Spec. Hge Fd	$	241.49
m Alpha Latin America	$	206.01
m Alpha Neutral	$	105.78
m Alpha Pacific Fund Ltd	$	258.24
m Alpha SAM	$	102.89
m Alpha Short Fund Ltd	$	83.74
m Alpha Spec. Situation Fd	$	317.14
m Alpha TIBdale Fund	$	139.91
m Alpha Worthington	$	119.85
m Buchanan-Alpha Eur.Hdge	Ecu	112.64
m Carran-Alpha Hlth Care Fd	$	223.12
m Heisei Japan Fund	Y	8821.00
w Nicholas-Applegate Aurelia	$	175.03
m Nicholas-Applegate Hedge	$	130.06
ARRAL ASSOCIATES LTD		
w Arral American Quant Fd	$	11.04
w Arral Asian Fund	$	196.89
w Arral Int'l Hedge Fund	$	138.80
BAII, 12 Place Vendome, 75001 Paris		
m Intermarket Fund	$	529.15
BARQUE BELGE ASSET MGMT FUND		
Stars Distributor Guernsey 0481 726614		
w Int'l Equity Fund (Sicav)	$	18.63
w Int'l Bond Fund (Sicav)	$	12.51
w Dollar Zone Bd Fd (Sicav)	$	18.96
w Sterling Equity Fd (Sicav)	£	1.028
w Sterling Bd Fd (Sicav)	£	1.292
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.		
b Government Secur. Fd	$	68.58
w Hispano Int'l Fund	Ecu	13.27
w Lincom	$	1929.22
b Opportunities	$	915.03
b Optigest Fixed Income	DM	119.99
b Optigest Global General	DM	130.90
b Prifund	$	503.01
b Prisme Fund	DM	44.35
w Rente Plus	BF	4843.80
f Select. Horizon FF	FF	70272.90
d The Europe Japan Fund	$	9.25
BANQUE INDOSUEZ		
w The Dragon Fund Sicav	$	108.39
m Galaxy Futures Fund Ltd	$	112.65
m Dual Futures Fd Cl A Units	$	115.61
m Dual Futures Fd Cl B Units	$	115.42
m Dual Futures Fd Cl C Units	$	109.82
m Dual Futures Fd Cl D Units	$	111.44
m Maxima Fut. Fd Ser. 1 Cl. A	$	103.89
m Maxima Fut. Fd Ser. 1 Cl. B	$	104.56
w IPNA-3	$	-472.80
w Asian Growth Fund	$	39.42
w ISA Japan Rec. Gr. Fund	Y	732.08
w Pacific Gold	$	10.25
w Asian Income Fund	$	8.58
w Himalayan Fund	$	14.36
w Manila Fund	$	10.47
w Malacca Fund	$	12.66
w The Siam Fund	$	22.76
d Indosuez Hong Kong Fund	$	29.840
d Indosuez Korea Fund	$	10.44
w Orient Ventures Trust	$	44.410
w North American Fund	$	27.445
w Sinap & Malay Trust	$	14.765
w Pacific Trust	HK$	22.340
d Tasman Fund	$	4.760
w Japan Fund	$	11.285
w Managed Trust	$	21.980
d Japan Warrant Fund	$	8.57
d Worldwide Growth Fund	$	9.73
BANQUE PRIVEE E. DE ROTHSCHILD		
w Daiwa Capital Eq. Fund	$	988.98
w Daiwa LCF Rothschild	$	1073.93
w Ecu d'Or	Ecu	63.82
b Source Sicav	$	14.16
BANQUE SCANDINAVE A LUXEMBOURG		
w Universal Eurosec ECU	Ecu	102.44
w Universal Finnsec Global	FM	127.32
w Universal Intelbond FRF A	FF	103.54
w Universal Intelbond FRF B	FF	121.29
w Universal Intelbond USD A	$	15.90
w Universal Intelbond USD B	$	17.73
w Universal Intelsec USD A	$	14.45
w Universal Intelsec USD B	$	14.98
BANQUE SCANDINAVE EN SUISSE-GENEVA		
w Intelbond Chf	SF	78.17
w Intelsec Chf	SF	171.60
w Swissfund Chf	SF	103.48
BDD ASSET MGMT (LUXEMBOURG) S.A.		
w BDD Inv Fund-Ecu Bonds	Ecu	4019.79
w BDD Inv Fund-Ecu Cash	Ecu	5215.78
w BDD Inv Fd-Euro Equities	Ecu	5071.43
w BDD Inv Fund-US$ Bonds	$	5113.76
w BDD Inv Fund-US$ Cash	$	5858.22
w BDD Inv Fd-North Am Eq	$	4881.47
BBARBULL		
w BB Forex Ltd	$	1142.74
w BB Futures Ltd CHF	SF	898.99
w BB Futures Ltd USD	$	1035.92
w BB Global Ltd BEF	BF	727.80
w BB Global Ltd CHF	SF	9.60
BNP LUXEMBOURG		
w Interaco Fund A	Ecu	302.52
w Interaco Fund B	Ecu	1873.80
INTER CASH		
f France Monetaire	FF	12634.14
f France Securite	FF	14851.28
f Inter Cash DM	DM	2382.44
f Inter Cash Ecu	Ecu	1634.49
f Inter Cash GBP	£	1304.42
f Inter Cash USD	$	1772.35
f Inter Cash Yen	Y	158800.00
INTER-OPTIMUM		
w Interbond USD	$	241.36
w BEF/LUF	BF	88235.00
w Multidevises DM	DM	2430.31
w USD	$	1171.91
w FRF	FF	12427.84
w ECU	Ecu	1002.57
INTER STRATEGIE		
w Australie	AS	16.45
w France	FF	11058.07
w Europe du Nord	£	1843.42
w Europe du Centre	£	2158.32
w Europe du Sud	Ecu	983.76
w Japan	Y	113414.00
w Amerique du Nord	$	1254.28
w Sud-Est Asiatique	$	997.65
BROADGATE INTERNATIONAL FUND		
d $ Money Market	$	15.94
d Non-$ Money Market	DM	37.57
d $ Bond	$	15.82
d Non-$ Bond	DM	35.55
d Global Equities	$	16.90
d Global Bonds	$	16.84
d Global Bonds & Equities	$	15.46
d Prec. Mets/Min. Secs.	$	4.88
d Pacific Equities	$	9.83
d European Equities	$	10.87
CAISSE CENTRALE DES BANQUES POP.		
d Fructilux Oblig. Fses	FF	7188.22
d Fructilux Oblig. Euro	Ecu	1309.73
d Fructilux Court Terme	FF	7283.98
w Fructilux Actions Fses	FF	7537.41
w Fructilux Actions Euro	Ecu	1252.17
CALLANDER		
w Callander Emer. Growth	$	111.69
w Callander F-Asset	$	108.08
w Callander F-Austrian	AS	1166.65
w Callander F-Spanish	Pta	7853.00
w Callander F-US Health Care	$	75.84
w Callander Swiss Growth	SF	132.97
CAPITAL INTERNATIONAL		
w Capital Int'l Fund	$	99.41
w Capital Italia SA	$	36.74
CDC INTERNATIONAL		
w GFI Court Terme	FF	149773.66
w GFI Long Terme	FF	1397078.57
CIC GROUP		
d Oblicic Court Terme	FF	14498.82
d Oblicic Monetaire	FF	14395.26
CITICORP INVESTMENT BANK (Lux)		
POB 1373 Luxembourg Tel. 477 95 71		
d Citinvest Guardian Euro	Ecu	1233.29
d Citinvest Mngd Growth	$	1246.62
d Citinvest Mngd Grth Euro	Ecu	1123.85
d Citinvest Selector	$	1131.29
d Citicurrencies USD	$	1538.61
d Citicurrencies Managed	$	140.67
d Citicurrencies GBP	£	142.48
d Citicurrencies DEM	DM	124.08
d Citicurrencies Yen	Y	11698.00
d Citiport N.A. Equity	$	212.60
d Citiport Japan Equity	Y	4402.00
d Citiport UK Equity	£	124.75
d Citiport IAPEC	$	158.46
d Citiport Cont. Euro Equity	Ecu	126.40
d Citiport Eamec	$	99.51
d Citiport German	DM	82.14
d Citiport Swiss	SF	92.49
d Citiport French Equity	FF	1282.04
d Citiport N.A. $ Bond	$	141.82
d Citiport Euro Bond	Ecu	126.04
d Citiport Pacific Bond	Y	12626.00
d Citiport Austr. Dollar Bond	AS	105.16
CITITRUST		
w US $ Equities	$	236.08694
w US $ Bonds	$	15.13378
w US $ Money Market	$	14.88643
w Citiland	$	1024.85712
w Citiperformance Ptfl A	$	16.71284
w Citiperformance Ptfl B	$	16.51785
w The Good Earth Fund	$	14.51504
COMPASS INTL HOLDINGS LTD.		
POB 455, Jersey 0534 27267		
w Bond : Dollar Med. Term	$	11.40
w Bond : Ecu Multicurr.	Ecu	11.12
w Equity : United Kingdom	£	8.16
CRAGNOTTI & PARTNERS		
w C & P Futures I Fund	$	893.97
w C & P Diversified Fund	$	931.25
CREDIT AGRICOLE : MOSAIS		
d Actions Int'l Diversifiees	FF	113.58
d Actions Nord-Americaines	$	19.25
d Actions Japonaises	Y	1759.29
d Actions Anglaises	£	12.45
d Actions Allemandes	DM	34.00
d Actions Francaises	FF	119.62
d Actions Esp. & Port.	Pta	2509.97
d Actions Italiennes	Lit	24967.28
d Actions Bassin Med.	Ecu	17.70
d Actions Bassin Pacifique	$	18.77
d Actions Europeennes	Ecu	16.54
d Actions Agro-Aliment	FF	123.18
d Actions Sect. Comm.	FF	107.31
d Oblig Int'l Diversifiees	FF	114.06
d Oblig Nord-Americaines	$	17.28
d Oblig Japonaises	Y	2145.05
d Oblig Anglaises	£	11.80
d Oblig Allemandes	DM	33.55
d Oblig Francaises	FF	122.33
d Oblig Esp. & Port.	Pta	2395.85
d Oblig Italiennes	Lit	26765.72
d Oblig Europeennes	Ecu	18.33
d Oblig Haut Rendement	FF	18.33
d Oblig Div Sensib Red	FF	114.18
d Oblig Convert. Intern.	FF	118.57
d Court Terme Ecu	Ecu	18.53
d Court Terme US$	$	14.59
d Court Terme FF	FF	128.90
CREDIT COMMERCIAL DE FRANCE		
d Elysees Monetaire	FF	74803.47
d Europe Prest. Fund A	Ecu	9.18
d Europe Prest. Fund B	Ecu	11.56
CREDIT SUISSE		
d CSF Bonds	SF	78.763
d Bond Valor Swf	SF	97.217
d Bond Valor US - Dollar	$	116.855
d Bond Valor D - Mark	DM	106.528
d Bond Valor Yen	Y	9980.826
d Bond Valor £ Sterling	£	108.877
d Convert Valor Swf	SF	143.694
d Convert Valor US - Dollar	$	187.221
d CSF International	SF	136.483
d Actions Suisses	SF	598.322
d Europa Valor	SF	237.602
d Energie - Valor	SF	147.687
d Pacific - Valor	SF	106.322
d CS Gold Valor	$	91.467
d CS Tiger Fund	$	727.839
d CS Ecu Bond A	Ecu	97.742
d CS Ecu Bond B	Ecu	146.080
d CS Gulden Bond A	Fl	95.643
d CS Gulden Bond B	Fl	127.328
d CS Hispano Iberia Fd A	Pta	22419.509
d CS Hispano Iberia Fd B	Pta	22971.180
d CS Prime Bond A	DM	89.472
d CS Prime Bond B	DM	114.995
d CS Europa Bond A	DM	286.855
d CS Europa Bond B	DM	321.585
d CS Fixed I SF 7% 1/96	SF	108.362
d CS Fixed I DM 8% 1/96	DM	103.416
d CS Fixed I Ecu 8 3/4% 1/96	Ecu	103.978
d CS Euro Blue Chips A	DM	241.178
d CS Euro Blue Chips B	DM	245.557
d CS Short-T. Bond $ A	$	102.381
d CS Short-T. Bond $ B	$	144.431
d CS Short-T. Bond DM A	DM	97.214
d CS Short-T. Bond DM B	DM	130.187
d CS Money Market Fd $	$	1687.985
d CS Money Market Fd DM	DM	1511.111
d CS Money Market Fd £	£	2061.251
d CS Money Market Fd Yen	Y	136710.498
d CS Money Market Fd C$	C$	1175.468
d CS Money Market Fd Ecu	Ecu	1175.977
d CS Money Market Fd SF	SF	8213.704
d CS Money Market Fd HFl	Fl	1048.485
d CS Money Market Fd Lit	Lit	1058285.090
d CS Money Market Fd FF	FF	5248.239
d CS Money Market Fd Pta	Pta	101656.920
d CS Oeko-Protec A/B	DM	250.857
d CS North-American Fd A/B	$	207.925
d CS UK Fund A/B	£	183.022
d CS France Fund A/B	FF	1073.130
d CS Eurareal	DM	100.00
DIT INVESTMENT FFM		
d Concentra +	DM	45.66
d Int'l Rentenfond +	DM	74.99
EBC TRUST CO. (Jersey) LTD		
1-3 Seale St, St Helier : 0534-36331		
EBC AMRO TRADED CURRENCY FUND		
d Capital	$	24.308
d Income	$	15.625
INTERNATIONAL INCOME FUND		
d Long Term	$	34.6000
ECU FUTURES PLC (44 71 225 3011)		
d Ecu Plc Omega Fund	£	0.91
d Ecu Plc Royden Fund	£	1.15
EQUIFLEX LIMITED		
w North America A	Fl	14.41
FIDELITY INT'L INV. SERVICES (Lux)		
d Balanced Ptfl Hedged	$	12.47
d Balanced Ptfl Unhedged	$	12.24
d Conv. Securities Ptfl	$	8.62
d Discovery Fund	$	18.91
d Dollar Savings Trust	$	195.75
d Far East Fund	$	55.38
d Fid. Amer. Assets	$	149.82
d Fid. Amer. Values IV	$	111950.00
d Fid. Australia Fund	$	16.82
d Frontier Fund	$	33.80
d Global Ind Fund	$	15.95
d Global Selection Fund	$	12.88
d International Fund	$	15.21
d New Europe Fund	$	10.23
d Orient Fund	$	87.33
d Pacific Fund	$	243.58
d Special Growth Fund	$	26.77
d World Fund	$	84.85
FINMANAGEMENT SA-Lugano(41.91/239312)		
w Delta Premium Corp.	$	1023.00
FOKUS BANK A.S. 472 428 555		
w Scanfonds Int'l Growth Fd	$	1.22
GAIA CURRENCY FUNDS		
w Gaia Hedge I	$	98.72
w Gaia Hedge II	$	186.52
w Gaia Hedge III	$	29.49
w Gaia Swiss Franc Fd	SF	74.85
m Gaia Guaranteed Cl. I	$	74.75
m Gaia Guaranteed Cl. II	$	75.64
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel : 41-1-2516640		
d GAM (CH) Mondial	SF	1301.00
d GAM (CH) Pacific	SF	1999.00
d GAM (CH) America	SF	1978.00
d GAM (CH) Europe	SF	78.00
GAM TRADITION ANGLEFONDS AG.		
d GAM Tradition	SF	914.00
GARTMORE INDOSUEZ FUNDS 30/04/92		
Tel : (352) 46 54 24 470		
Fax : (352) 46 54 23		
BOND PORTFOLIOS		
d Deutsche Mark Bond	DM	5.45
d Diverbond	SF	2.75
d Dollar Bond	$	2.18
d European Bond	Ecu	1.10
d French Franc Bond	FF	10.50
d Global Bond	$	2.19
d Sterling Bond	£	1.02
EQUITY PORTFOLIOS		
d Developing Markets	$	2.83
d Europe	Ecu	1.12
d France	FF	10.82
d Germany	DM	4.86
d International	$	2.17
d Japan	Y	214.00
d Natural Resources	$	2.80
d North America	$	2.23
d Pacific	$	2.51
d Singapore / Malaysia	SG$	5.54
d Switzerland	SF	2.71
d United Kingdom	£	1.27
RESERVE FUNDS		
d Deutsche Mark Reserve	DM	5.45
d Dollar Reserve	$	2.06
d French Franc Reserve	FF	10.94
d Sterling Reserve	£	1.12
d Yen Reserve	Y	274.00
GEFINOR FUNDS		
London : 071-4994171, Geneva : 41-22355530		
w East Investment Fund	$	678.46
w Scottish World Fund	£	213.5270
w State St. American	$	301.12
GENERALE BANK		
(See also Interselex Group)		
d Rentinvest	$	28.12
d Capital Rentinvest	$	158.44
d Rentinbel Distribution	LF	9436.00
d Rentinbel Capitalisation	LF	13082.00
GENESEE FUND Ltd		
w (A) Genesee Eagle	$	186.05
w (B) Genesee Short	$	68.99
w (C) Genesee Opportunity	$	128.28
w (D) Genesee Drill	$	105.39
w (E) Genesee Balanced	$	188.38
GLOBAL ASSET MANAGEMENT		
11 Athol St,Douglas,I.of Man 44-624-626037		
w GAM Arbitrage Inc.	$	308.98
w GAM America Inc.	$	292.75
w GAM Australia Inc.	$	137.74
w GAM ASEAN Inc.	$	218.76
w GAM Boston Inc.	$	310.71
w GAM Selection Inc.	$	507.39
w GAM European Inc.	$	88.89
w GAM Europe Fund	$	72.78
w GAM Franc-Val Inc	SF	192.98
w GAM France Inc.	FF	1638.88
w GAM Global Fund	$	101.11
w GAM High Yield Inc.	$	126.91
w GAM Hong Kong Inc.	$	315.94
w GAM International Inc.	$	137.94
w GAM Japan Inc.	$	522.99
w GAM North America	$	129.27
w GAM Money Mkts Fd $	$	101.18
w GAM Money Mkts Fd £	£	103.41
w GAM Money Mkts Fd SF	SF	102.57
w GAM Money Mkts Fd DM	DM	103.09
w GAM Money Mkts Fd Yen	Y	10156.00
w GAM Mitl-Mar Fd Inc Alloc	$	121.68
w GAM Mitl-Mar Fd IncGenEx	$	123.22
w GAM Mitl-Mar Fd Trading	$	127.95
w GAM Mitl-Mar Deferred Cl	$	119.89
w GAM Mitl-Mar Fd Euro	$	104.38
w GAM MitMar Fd IncEmerg	$	108.87
w GAM Overseas Inc.	$	128.54
w GAM Pacific Basin Fund	$	123.10
w GAM Pacific Inc.	$	553.73
w GAM Restr. Fund Inc	$	151.91
w GAM Singap-Malay Inc	$	256.19
w GAM Swiss Fr Spec Bd Fd	SF	108.79
w GAM Value Inc	$	94.14
w GAM Worldwide Inc	$	429.17
w GAM Tyche S.A. Class A	$	251.17
w GAM Univ. Spain Inc	SF	113.21
w GAM Americana Fds Inc	DM	108.53
w GAM Americana Fds Acc	DM	108.53
w GAM Orient Fonds Inc	DM	96.48
w GAM Orient Fonds Acc	DM	96.48
w GAM Tokyo Fonds Inc	DM	101.05
w GAM Tokyo Fonds Acc	DM	101.05
w GAM Univ. D-Mark Acc	DM	121.25
w GAM Univ. D-Mark Inc	DM	118.52
w GAM Univ. Dollar Acc	$	112.16
w GAM Univ. Dollar Inc	$	109.91
w GAM U.S. Inc	$	217.43
w GAM Whitehorn Fund Inc	$	178.37
w GAM UT Inc	$	471.46
w GSAM Composite Inc	$	257.25
w GAM Bond Fd Inc. US Ord	$	126.98
w GAM Bond Fd Inc. US Spe	$	153.52
w GAM Bond Fd Inc. SF	SF	85.91
w GAM Bond Fd Inc. Yen	Y	12751.00
w GAM Bond Fd Inc. DM	DM	100.25
w GAM Bond Fd Inc. £	£	132.40
w GAM Sterling Spec. Bd Fd	£	116.40
GT MANAGEMENT PLC (44 71 220 45 67)		
d G.T. ASEAN Fund	$	44.57
d G.T. Asia Fund	$	16.80
d G.T. Australia Fund	$	28.13
d G.T. Berry Japan Fund	$	21.93
d G.T. Biotech/Health Fd	$	17.42
d G.T. Bond Fund	$	17.38
d G.T. Deutschland Fund	$	12.06
d G.T. Dollar Fund	$	25.26
w G.T. Emerging Mkts Fd	$	14.68
w G.T. Euro Small Co Fd	$	32.93
d G.T. Europe Fund	$	32.76
w G.T. Global Small Co Fd	$	17.06
d G.T. Hong Kong Fd	$	46.45
d G.T. Honshu Pathfinder	$	8.78
d G.T. Investment Fund	$	16.28
w G.T. Japan OTC Stocks Fd	$	8.43
w G.T. Japan Small Co Fd	$	11.34
w G.T. Korea Fund	$	3.48
w G.T. Latin America Fd	$	20.78
w G.T. Newly Ind Countr Fd	$	31.56
r G.T. Technology Fund	$	49.66
d G.T. UK Small Companies	£	7.27 s
w G.T. US Small Companies	$	17.88
HARVARD GROUP LIMITED		
d US Stock Index Fund	$	19.48
INTERNATIONAL ASSETS FUND		
2, Bd Royal, L-2449 Luxembourg		
w Japan B	Y	11359.00
w Diversifie C	FF	535.23
w Europe Luxa D	Ecu	78.07
w Europe Sud E	Ecu	87.92
INTERNATIONAL MGMT INCOME FUND		
w Treasury Comportment Fd.	ITL	100739.00
INTERSELEX GROUP		
d Int. America Sicav	$	19.65
d Int. Belgo Sicav	BF	2710.00
d Int. Europe Sicav	LF	6295.00
d Int. Pacific Sicav	$	75.52
d Int. World Distr. Sicav	$	93.82
INVESCO MIM INT'L, POB 271, Jersey		
Tel: 44 534 73114		
d Maximum Income Fund	£	1.8200 *
d Sterling Mngd Ptfl	£	1.5638 *
d Pioneer Markets	£	3.5060 *
d UK Growth Fund	£	1.2450
d Gold & Precious Metals	$	0.7800
d Japan Dollar Pert. Fund	$	2.2240
d Jersey Gilt Fund	£	0.1893
d Okasan Global Strategy	$	15.9600
d Asia Super Growth	$	14.5900
d Nippon Warrant Fund	$	2.2300
d Asia Tiger Warrant	$	1.9100
d European Warrant Fund	$	1.9000
d Gtd. N.W. 1994	$	8.4900
PREMIER SELECT FUNDS		
d American Growth	$	5.4900
d American Enterprise	$	7.5200
d Asia Tiger Growth	$	6.0600
d Dollar Reserve	$	5.1600
d European Growth	$	4.5800
d European Enterprise	$	5.2900
d Global Emerging Markets	$	6.2100
d Global Growth	$	4.5800
d Nippon Enterprise	$	4.6800
d Nippon Growth	$	3.6300
d North American Warrant	$	7.0800
ITALFORTUNE INTL. FUNDS		
w Class A (Aggr. Growth Ital.)	$	44.91
w Class B (Global Equity)	$	11.01
w Class C (Global Bond)	$	11.34
w Class D (Ecu Bond)	Ecu	10.62
JARDINE FLEMING, GPO Box 11448 Hg Kg		
d JF ASEAN Trust	$	22.40
d JF Far East Wrnt Tr	$	7.42
d JF Global Conv. Tr	$	11.88
d JF Hong Kong Trust	$	12.45
d JF Japan Sm. Co Tr	Y	43929.00
d JF Japan Trust	Y	11456.00
d JF Malaysia Trust	$	9.85
d JF Pacific Inc. Tr	$	8.34
d JF Thailand Trust	$	12.69
JOHN GOVETT MANT (I.O.M.) LTD		
Tel: 44.624 - 62 94 20		
w Govett Man. Futures	£	12.53
w Govett $ Gear. Curr	$	13.38
w Govett Man. Fut. US$	$	9.29
JULIUS BAER GROUP		
d Baerbond	SF	977.00
d Conbar	SF	1740.00
d Helvetbar	SF	1246.00
d Equibaer America	$	2174.00
d Equibaer Europe	SF	1688.00
d SFR - BAER	SF	1020.00
d Stockbar	SF	2145.00
d Swissbar	SF	2223.00
d Liquibaer	$	2123.00
d Dollar Baer Bond Fund	$	1185.00
d D-Mark Baer Bond Fund	DM	1022.00
d Europe Bond Fund	Ecu	118.26
d Emerging Europe Fund	DM	95.00
w Multiadvisor Forex Fd	$	96483.00
KIDDER, PEABODY		
b Chesapeake Fund Ltd	$	1457.52
b Int'l Guaranteed Fund	$	1104.71
b Stonehenge Ltd	$	1308.14
b The Gbl Asset Alloc Fd Ltd	$	852.75
b The Krieger Curr. Fd Ltd.	$	980.00
KLEINWORT BENSON SELECT FUND		
d British Fund	Ecu	2.52
d Emerging Asia Fund	Ecu	1.88
d European Fund	Ecu	1.85
d International Fund	Ecu	1.48
d Japanese Fund	Ecu	1.32
d North American Fund	Ecu	2.12
d Pacific Fund	Ecu	1.75
d World Fund	FM	12.81
d Sicav Dollar Bond	$	1.92
d Sicav Intern. Bond	Ecu	2.81
d Sicav European Bond	Ecu	2.78
d Sicav Conv. Bond	Ecu	1.89
d Sicav Yen Bond	Y	329.43
LATIN AMERICAN MANAGEMENT Co Ltd		
Tel : London 071 628 1234		
w Argentinian Invest Co Sicav	$	33.74
w Brazilian Invest Co Sicav	$	26.29
w Mexican Invest Co Sicav	$	34.14
LIPPO INVESTMENTS		
w Java Fund	$	5.40
w IDR Money Market Fd	$	12.45
w USD Money Market Fd	$	10.06
w Indonesian Growth Fd	$	9.90
w Asian Growth Fund	$	10.07
w Asian Warrant Fund	$	10.21
MALABAR CAP MGMT (Bermuda) LTD		
m Malabar Int'l Fund	$	12.98
MAN INTERNATIONAL FUTURES		
m Mint Limited - Ordinary	$	43.17
m Mint Limited - Income	$	14.30
m Mint Gtd Ltd - Spec Issue	$	22.47
m Mint Gtd Ltd - Nov 1993	$	21.27
m Mint Gtd Ltd - Jan 1994	$	17.37
m Mint Gtd Ltd - Dec 1994	$	15.52
m Mint Gtd Ltd - Aug 1995	$	12.76
m Fame Mint Gtd Plc	$	114.77
m Mint Sp Res Ltd (BNP)	$	99.85
m Newcastle Guaranteed Ltd	$	10.55
m Alupad Mint Gtd Fund Ltd	$	113.37
m Athena Diversified Futures	$	9.60
m Athena Gtd Currencies	$	10.41
m Athena Gtd Futures	$	9.76
m Map Guaranteed 1996 Ltd	$	8.54
MERRILL LYNCH		
d Dollar Assets Portfolio	$	1.00
d Iberia Portfolio	$	9.05
d Prime Rate Portfolio	$	10.00
MERRILL LYNCH SHORT-TERM WORLD INCOME PORTFOLIO		
d Class A	$	9.69
d Class B	$	9.69
MERRILL LYNCH MLT NAT'L INV PFL GLOBAL CURRENCY BOND SERIES		
AUSTRALIAN DOLLAR PORTFOLIO		
d Category A	AS	15.88
d Category B	AS	15.82
CANADIAN DOLLAR PORTFOLIO		
d Category A	C$	12.32
d Category B	C$	12.28
DEUTSCHE MARK PORTFOLIO		
d Category A	DM	11.33
d Category B	DM	11.27
POUND STERLING PORTFOLIO		
d Category A	£	13.17
d Category B	£	13.18
US DOLLAR PORTFOLIO		
d Category A	$	12.36
d Category B	$	12.38
YEN PORTFOLIO		
d Category A	Y	1117.00
d Category B	Y	1116.00
MULTI CURRENCY BOND PTFL		
d Class A	$	19.33
d Class B	$	19.17
US FEDERAL SECURITIES PTFL		
d Class A	$	9.67
d Class B	$	10.19
MERRILL LYNCH MLT NAT'L INV PFL EQUITY / CONVERTIBLE SERIES		
BASIC VALUE PORTFOLIO		
d Class A	$	11.99
d Class B	$	11.72
CONVERTIBLE SECURITIES PTFL		
d Class A	$	12.26
d Class B	$	12.06
GLOBAL EQUITY PORTFOLIO		
d Class A	$	8.61
d Class B	$	8.31
EURO EQUITY PORTFOLIO		
d Class A	$	11.41
d Class B	$	11.42
LATIN AMERICA PORTFOLIO		
d Class A	$	11.70
d Class B	$	11.66
WORLD NATURAL RESOURCES PTFL		
d Class A	$	10.88
d Class B	$	10.64
MULTIMANAGER N.V.		
w American Growth Fd	$	10.97
w European Curr. Bond Fd	Ecu	11.16
w European Growth Fd	Ecu	11.59
w Forex Fund	$	10.71
w Japanese Fund	Y	727.00
w Yen Bond Fund	Y	1021.00
m Emerging Markets Fd	$	17.17
m Futures Fund	$	9.87
NIMARBEN		
w Class A	$	244.69
NOMURA INTL. (HONG KONG) LTD		
d Nomura Jakarta Fund	$	6.80
NOMURA INVEST BANKING (M.E) E.C.		
d Nomura Gulf Fund	$	7.53
NORIT CURRENCY FUND		
m NCF USD	$	839.38
m NCF DEM	DM	859.25
m NCF CHF	SF	857.41
m NCF FRF	FF	4319.67
m NCF JPY	Y	84102.00
m NCF BEF	BF	26041.00
OBLIFLEX LIMITED		
w Multicurrency	$	27.11
w Dollar Medium Term	$	20.80
w Dollar Long Term	$	17.36
w Japanese Yen	Y	4069.00
w Pound Sterling	£	21.44
w Deutsche Mark	DM	14.76
w Dutch Florin	Fl	15.13
w HY Euro Currencies	Ecu	12.82
w Swiss Franc	SF	11.35
w US Dollar Short Term	$	11.82
w HY Euro Curr Divid Pay	Ecu	10.67
w Swiss Multicurrency	SF	14.30
w European Currency	Ecu	17.94
w Belgian Franc	BF	111.82
w Convertible	$	12.49
w French Franc	FF	126.58
w Swiss Multi-Dividend	SF	9.57
w Canadian Dollar	C$	11.27
w Dutch Florin Multi	Fl	12.65
w Swiss Franc Divid Pay	SF	10.31
w Short Term Global Income	$	2.027
w Short Term Global Divid	$	2.025
OLYMPIA CAPITAL INTL. BVI		
c/o OCM, 11 Av. Friedland 75008 PARIS		
Tel: 33-1-49539038 Fax: 33-1-42567009		
w Finsbury Group	$	178.52
w Olympia Securite SF	SF	154.57
w Winch. Frontier	$	256.18
w Winch. Fut. Olympia Star	$	114.11
w Winch. Gl.Sec.Inc.PL(A/B)	$	8.83
w Winch. Hldg Int'l Madison	Ecu	1186.65
w Winch. Hldg Int'l Ser D	Ecu	1376.73
w Winch. Hldg Int'l Ser F	Ecu	1392.13
w Winch. Hldg US$	$	16.68
w Winch. Reser. Multi. Gvbd	$	16.95
OPTIMA FUND MANAGEMENT		
6 Front St. Hamilton,Bermuda (809 295-4000)		
w Optima Fund	$	15.06
w Optima Futures Fund	$	11.65
w Optima Short Fund	$	9.57
PARIBAS-GROUP		
d Luxor	$	7.49
d Parinter Bond Fund	$	16.15
d Parinter Fund	$	219.12
w Parvest Obli-DM A	DM	1189.30
w Parvest Obli-DM B	DM	1539.60
w Parvest Obli-Dollar A	$	1121.93
w Parvest Obli-Dollar B	$	1554.42
d Parvest Obli-Franc A	FF	1377.54
d Parvest Obli-Franc B	FF	1618.72
w Parvest Obli-Gulden A	Fl	949.56
w Parvest Obli-Gulden B	Fl	1298.49
d Parvest Obli-Sterling	£	118.79
w Parvest Obli-Yen A	Y	104169.00
w Parvest Obli-Yen B	Y	134708.00
PERMAL GROUP		
b Commodities Ltd	$	1000.80
b Drakkar Growth N.V.	$	3004.58
b EuroMir (Ecu) Ltd	Ecu	1210.05
b Investment Hldgs N.V.	$	1005.98
b Media Ltd	$	1009.92
b Nascal Ltd	$	1670.00
w Undyke Ltd	$	273.45
PICTET & CIE - GROUP		
d Pictet Valsuisse (CH)	SF	465.80
w Valbond - Ecu (Lux)	Ecu	151.31
w Valbond - SFR (Lux)	SF	257.34
w Valbond - USD (Lux)	$	199.07
b Eur. Opportunity (Lux)	Ecu	95.28
b European Indexed Fd (Lux)	Ecu	50.77
b Eureval (Lux)	Ecu	176.62
b Global Value (Lux) Quant.	Ecu	114.52
m Emerging Markets (Lux)	$	122.73
m Int'l Small Cap (IOM)	$	222.82
PIERSON, HELDRING & PIERSON N.V.		
Rokin 55, 1012kk, Amsterdam (20-5211188)		
w Asia Pac. Growth Fd N.V.	$	25.79
w Asian Selection Fd N.V.	Fl	62.63
w DP Amer. Growth Fd N.V.	$	33.66
w EMS Offshore Fd N.V.	Fl	103.16
w Environment Growth Fund	Fl	48.78
w Eur. Growth Fund N.V.	Fl	52.70
w Japan Diversified Fund	$	34.27
w Leveraged Cap Hold	$	465.40
w Tokyo Pac. Hold. N.V.	$	178.92
PRISM ASSET MANAGEMENT		
(712) 332-1032 advisor to :		
d Prism Futures Fd (EFF)	$	268.93
d Apex Fund Ltd	$	115.92
d Rainbow Futures Ltd	$	135.35
d Harmonic Futures Ltd	$	91.71
d Viceroy Futures Ltd	$	273.38
d Harbinger Futures Ltd	$	388.53
d Regent Futures Ltd	$	294.64
PUTNAM		
d Emerging Hlth Sc. Trust	$	34.96
d Putnam Em. Info. Sc. Trust	$	22.63
d Putnam Glob. High Growth	$	14.16
d Putnam High Inc. GNMA Fd	$	9.08
d Putnam Int'l Fund	$	12.44
PYRFORD, SWITZ (038) 25 17 25		
w Pyrford Australian	AS	95.75
w Pyrford Int'l	SF	99.50
QUANTUM GROUP OF FUNDS		
w Emerging Growth Fd N.V.	$	127.15
w Quantum Fund N.V.	$	14787.11
w Quasar Int'l Fund N.V.	$	124.71
w Quota Fund N.V.	$	102.54
ROTHSCHILD ASSET MGMT (CI) LTD		
d Tokyo Pacific Hldgs (Seal)	$	130.88
SAFRA REPUBLIC HOLDING		
w Republic (Gnsey) $ Inc Fd	$	10.13
w Republic GAM Fund	$	112.29
w Republic GAM Growth	$	111.70
w Republic GAM Pacific	$	102.33
w Republic GAM Europe Fd	SF	104.99
d Republic GAM America Fd	$	98.87
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
d Equity Int'l Acc.	$	14.47
d Equity Int'l Inc.	$	12.14
d Equity Global	$	1.33
d Equity Far East	$	2.62
d Equity Nat. Resources	$	0.77
d Equity Japan	Y	92.00
d Equity Nordic	$	1.28
d Equity U.K.	£	1.33
d Equity Continental Europe	$	1.37
d Equity Mediterranean	$	0.95
d Equity North America	$	1.79
d Equity Emerging Markets	$	0.96
d Bond Int'l Acc.	$	10.56
d Bond Int'l Inc.	$	7.04
d High Income Acc.	$	1.46
d High Income Inc.	$	1.02
d Bond Sweden	Sek	13.82
d Bond DEM	DM	1.07
d Bond Dollar	$	1.22
d Enskilda Int'l Bond	$	111.50
d Multicurrency	$	1.43
d Curr. Swedish Kronor	Sek	10.23
SOCIETE GENERALE GROUP		
d Asia Fund	$	346.85
d BTW Category A	$	14.37
d BTW Category B	$	25.42
SOGELUX FUND (SF)		
w SF Bonds A U.S.A.	$	14.15
w SF Bonds B Germany	DM	26.27
w SF Bonds C France	FF	103.76
w SF Bonds E G.B.	£	10.45
w SF Bonds F Japan	Y	1912.00
w SF Bonds G Europe	Ecu	14.65
w SF Bonds H World Wide	$	14.90
w SF Bonds J Belgium	BF	682.00
w SF Eq. K North America	$	14.73
w SF Eq. L W.Europe	Ecu	13.98
w SF Eq. M Pacific Basin	Y	1324.00
w SF Eq. N France	FF	79.00
w SF Eq. P Growth Countries	$	13.35
w SF Eq. Q Gold Mines	$	11.28
w SF Eq. R World Wide	$	13.09
w SF Short Term S France	FF	143.23
w SF Short Term T Eur	Ecu	14.86
SOGELUX INDEX FUND (SIF)		
w S.I.F. France Capital	FF	1125.56
w S.I.F. France Distrib	FF	1125.56
w S.I.F. GB Capital	£	125.00
w S.I.F. GB Distrib	£	125.00
w S.I.F. Japan Capital	Y	9091.00
w S.I.F. Japan Distrib	Y	9091.00
w S.I.F. US Capital	$	188.69
w S.I.F. US Distrib	$	188.69
w S.I.F. World Capital	$	130.38
w S.I.F. World Distrib	$	130.38
SODITIC ASSET MANAGEMENT INC.		
w SAM Diversified Inc	$	117.59
w SAM Strategy Inc.	$	100.39
m Alpha SAM Inc.	$	101.21
w SAM Opportunity Inc.	$	99.98
SVENSKA HANDELSBANKEN S.A.		
146 Bd de la Petrusse, L-2330 Luxembourg		
w Neptune Maritime Fund	$	4.80
b SHB Bond Fund	$	51.71
w Svenska Sel. Fd Amer Sh	$	13.06
w Svenska Sel. Fd Germany	$	9.49
w Svenska Sel. Fd Int'l Bd Sh	$	12.28
w Svenska Sel. Fd Int'l Sh	$	49.22
w Svenska Sel. Fd Japan	Y	407.00
w Svenska Sel. Fd Nordic Sh	$	18.49
w Svenska Sel. Fd Pacif Sh	$	5.06
w Svenska Sel. Fd S/T Ass Sh	$	18.94
w Svenska Sel. Fd Swed Bds	Sek	1158.14
w Svenska Sel. Fd Sylvia Sh	Ecu	1074.71
SWISS BANK CORP. (Issue Prices)		
d SBC 100 Index Fund	SF	1198.00
d SBC Bond Portfolio - C$	C$	108.18
d SBC Bond Portfolio - Ecu	Ecu	105.52
d SBC Bond Portfolio - FF	FF	535.29
d SBC DM Short Term A	DM	1033.83
d SBC Euro Stock	Ecu	148.00
d SBC Global Ecu Growth	Ecu	1015.52
d SBC Global Ecu Yield	Ecu	1035.74
d SBC Global SF Growth	SF	1042.81
d SBC Global SF Yield	SF	1068.06
d SBC Global USD Growth	$	1016.63
d SBC Global USD Yield	$	1032.44
d SBC MMF - £	£	2481.13
d SBC MMF - C$	C$	4246.66
d SBC MMF - DFl	Fl	6425.41
d SBC MMF - Ecu	Ecu	3211.35
d SBC MMF - FF	FF	21504.41
d SBC MMF - Lit	Lit	4361590.00
d SBC MMF - SF	SF	5306.85
d SBC MMF - US - Dollar	$	6830.76
d SBC MMF - Yen	Y	566021.00
d SBC Str Bond A	SF	1059.62
d SBC Str Bond B	SF	1173.26
d America Valor	$	325.97
d Anglo Valor	£	204.34
d Asia Portfolio	SF	640.67
d Convert Bond Selection	SF	94.88
d D-Mark Bond Selection	DM	108.40
d Dollar Bond Selection	$	136.89
d Ecu Bond Selection	Ecu	99.74
d Florin Bond Selection	Fl	113.76
d France Valor	FF	1909.39
d Germania Valor	DM	483.13
d Gold Portfolio	SF	208.06
d Iberia Valor	Pta	46023.00
d Ital Valor	Lit	341384.00
d Japan Valor	Y	21946.00
d Sterling Bond Selection	£	108.26
d Sw. Foreign Bond Selection	SF	100.90
d Swissvalor	SF	397.25
d Universal Bond Selection	SF	80.25
d Universal Fund	SF	103.65
d Yen Bond Selection	Y	10986.00
TEMPLETON WWIDE INVESTMENTS		
GROWTH PORTFOLIO		
d Class A-1	$	10.75
d Class A-2	$	12.40
d Class A-3	$	11.64
d Class B-1	$	10.49
d Class B-2	$	12.14
INCOME PORTFOLIO		
d Class A	$	10.91
d Class B	$	10.82
TERMINVEST Tel : 40.78.92.89		
m Dual Futures Fd Cl D Units	$	111.74
m Galaxy Futures Fund Ltd	$	112.65
THORNTON MANAGEMENT LTD		
d Pacif Invt Fd SA L	£	8.43
d Pacif Invt Fd SA DM	DM	24.74
d Pacif Invt Wrnt Fd SA £	£	2.42
d Pacif Invt Wrnt Fd SA DM	DM	10.07
d Eastern Crusader Fund	$	7.44
d Thornton HK Gateway Fd	$	25.68
d Thornton Japan Fund Ltd	$	18.61
d Thor. Little Dragons Fd Ltd	$	23.56
d Thornton Orient Inc Fd Ltd	$	21.54
d Thornton Phil. Redev. Fd	$	26.04
d Thornton Tiger Fd Ltd	$	34.42
NEW TIGER SEL. FUND		
d Thailand	$	8.84
d Malaysia	$	10.23
d Indonesia	$	5.45
THORNTON TAIWAN FUND		
d Equity Income	$	10.18
d Equity Growth	$	11.21
d Liquidity	$	10.00
UEBERSEEBANK Zurich		
d B - Fund	SF	1090.97
w E - Fund	SF	600.86
d J - Fund	SF	302.89
d M - Distribution	SF	180.71
d M - Fund	SF	1146.65
d UBZ Euro-Income Fund	SF	10.84
UNIVERSAL GROUP OF FUNDS		
d Universal Cdn. Equity	C$	9.34
d Universal Pacific	C$	9.61
d Universal American	C$	10.15
d Universal Cdn. Resource	C$	3.93
d Universal Global	C$	7.87
d Canada Guar. Mortgage Fd	C$	16.25
Other Funds		
w Acropolis Fund Ltd	$	1044.21
r Acticroissance	FF	468.03
d Actifinance Int'l	$	971.00
w Actifutures Ltd	$	887.07
w Actigestion	FF	1034.05
w Activest Int'l	$	26.99
m Advanced Strategies	$	121.45
w Aquila International Fund	$	311.50
w Arbifin Investment	$	990.58
b Ariane	$	4466.61
d Asia Oceania Fund	$	10.32
m ASS (Serie 1) SA	DM	781.52
m Associated Investors Inc.	$	845.33
w Astrafund Ltd	$	
b Atlantic Fund	$	83.43
r Australia Fund	$	18.43
w BEM International	$	7.53
w Bondselex-Issue Pr.	SF	107.25
m Cal Futures 1990 Fd Ltd	$	22.68
d CB German Index Fund	DM	127.30
w CMI Investment Fund	$	1289.00
w Codevalor Croissance CHF	SF	2824.61
w Codevalor Croissance USD	$	1825.74
w Codevalor Rendement CHF	SF	2177.85
w Codevalor Rendement USD	$	1757.25
w Convert. Fd Int'l A Certs	$	17.16
w Convert. Fd Int'l B Certs	$	61.22
w Cowen Enterprise Fd N.V.	$	1197.20
w Crypton Int'l Ltd	$	1016.50
w Comber Int'l N.V.	$	330.30
w D. Witter Wld Wide Ivt Tst	$	25.84
w D.G.C.	$	231.62
d Daiwa Japan Fund	Y	5963.00
d DBCC / Nofin Bond Fund	$	50000.00
d Dreyfus America Fund	$	21.77
w Eas Overseas Fund Ltd	$	1287.00
d Emi Belg. Ind. Plus A	BF	8890.00
d Emi Belg. Ind. Plus B	BF	9160.00
d Emi France Ind. Plus A	FF	952.26
d Emi France Ind. Plus B	FF	967.62
d Emi Germ. Ind. Plus A	DM	90.81
d Emi Germ. Ind. Plus B	DM	92.81
d Emi Spain Ind. Plus A	Pta	9526.00
d Emi Spain Ind. Plus B	Pta	9605.00
d Emi UK Index Plus A	£	11.61
d Emi UK Index Plus B	£	115.30
m Enigma Currency Fd	$	20.07
w Espir. Sto Inv. M Ecu Bd Fd	Ecu	109.35
w Espir. Sto Inv. Sth Eur Fd	$	8.58
w Esprit Sicav	Ecu	1173.71
d Eurosud	FF	1006.70
d Europe 1992	$	10.53
w Europe Obligations	Ecu	86.93
w F.I.T. Fund FF	FF	127.47
w F.M.P. Portfolio	$	0.5280
w Fairfield Int'l Ltd	$	174.60
w Fairfield Sentry Ltd	$	261.70
w Fairfield Strat. Ltd	$	70.30
m Fatum Fund	$	815.91
w First Eagle Fund	$	4472.74
m First Ecu Ltd	Ecu	74.08
m First Frontier Funds	$	74.95
m First Int'l Investment Ltd	$	3.25
w FL Trust Switzerland	SF	102.71
d Fondifalia	$	80.51
w Fonselex Issue Pr	SF	151.15
d Force Cash Opti Taux d'Int	Ecu	1013.02
d Force Cash Opti USD/DEM	Ecu	1011.98
w Formula Selection Fd	SF	64.72
d Frankf-Trust Effekten Fd	DM	159.86
d Frankf-Trust Interzins	DM	40.60
d Gemini Int'l Mutil	$	1018.13
m Gems Progressive Fd Ltd	$	1218.38
m German Sel. Associates	DM	1744.33
w Global Futures Mgt Ltd	$	933.45
w Gonnord	SF	27.79
d Green Line France	FF	740.27
m Guaranteed Capital Imm 94	LF	525723.00
m Hasenbichler Com AG	$	2390.00
w Haussmann Hldgs N.V.	$	445.52
d Heritech T.F.	SF	11489.00
w Hestia Fund	$	178.49
w Horizon Fund	FF	11521.85
d IAM Flagship Fund	Ecu	73.61
w Ibex Holdings Ltd	SF	208.87
w IFDC Japan Fund	Y	21097.00
b ILA / IGB	$	14.74
b ILA / IGS	$	9.75
b ILA / INL	$	12.88
w Infinity Fund	$	296.6884
r Int'l Securities Fund	Ecu	26.74
m Interface Fund Ltd	$	168.05
d Interfund SA	$	44.57
w Intersec - KBL	$	4053.76
d Investa DWS	DM	73.56
d Investmentor Fund	$	105.66
w Japan Pacific Fund	$	178.94
m Japan Selection Asses.	Y	6365.00
w Japan Selection Fund	$	239.24
w JWH Worldwide Fund	$	9.03
m Kandu LDC Fund	$	176.46459
m Kenmar Guaranteed	$	9.26
w Kenmar Int'l - B	$	18151.00
w Kenmar L/C	$	7.17
m Key Hedge Fund Inc	$	122.88
d KML - II High Yield	$	646.44
w Knightsbr. Futures	$	995.00
w Korea Growth Trust	$	27.96
m L.F. Yield & Growth Fd	$	948.62
b La Fayette Holdings Ltd	$	102.77
w Leaf Sicav	$	1030.63
w Leumi Val. Francaises	FF	1063.24
m London Portfolio Services	$	10.58
m LPS Int'l H.P.B.	$	9.877
w Luxfund	$	109.89
m Lynx Sel. Holdings	SF	132.98
w M I Multi-Strategy	$	1119.64
w M.Kinedon Offshore. N.V.	$	11.22
w Magnus Units Ltd	SF	4515.00
w Managed Fut. Institut. Fd	$	9288.00
m Maritime Fund Int'l Ltd	$	833.34
w Mat Growth ESCF	DM	16.79
w Mat Growth USCF	$	12.25
w Matterhorn Offshore Fd	$	10087.31
m Maverick Limited	$	216934.38
w MBE Japan Fund	LF	1733.00
m MCM Int. Limited	$	167.25
d Mediolanum Selective Fd	$	37.357
w Millennium Int'l	$	9.59
m Momentum Guild Ltd	$	111.79
w Moore Global Invts. Ltd	$	2825.40
w Multifutures	FF	98.63
d NCA Fund	$	9.86
d New Millennium Fut. Ltd	$	840.47
d Newbank Debentures	$	1274.80
w Nippon Fund	$	109.00
d NM Inc. & Growth Fund	$	18.84
m NMT Asian Sel. Portfolio	$	208.75
w NMT Citadel Bond	SF	129.02
m NMT Nostec Portfolio	$	159.47
d Nomura-Cop Int'l Eq Fd	$	14.53
w Novoeurope - KBL	Ecu	2875.74
m NSM Invest. Ltd. Senso SH	$	7.36
m NSM Invest. Ltd. Tetryx SH	SF	9.98
m NSP F.I.T. Ltd	$	11.38
w Old Ironside Int'l Ltd	$	97.88
m Omega Overseas Partners	$	102.46
m Oppenheimer U.S. Arb.	$	133.17
d Optimal Effect Fut. Ltd	$	939.33
m Optimum Fund	$	1700.30
m Overlook Performance	$	1642.68
d Pacific Nies Fund	$	5.77
w Pan European Futures Ltd	$	3581.64
m PAN International Ltd	$	110.89
w Pancurri Inc.	$	157.88
m Paragon Fund Limited	$	10.29
w Plurigestion	FF	90.77
w Plurivest International	FF	102.99
d Precision Fund Ltd	$	83.61
d Premier Futures Ltd	$	1016.11
d Profilrent SA	DM	1173.05
w Puget-Mahe Barclays Pac.	$	160.65
w Pulsar LDC Debt Fd	$	139.3482
m Quark Int'l Trad Prog	$	9879.007
w RM Futures Fund Sicav	$	17618.00
w Sailor's Int'l Equity	Ecu	1004.44
w Sailor's Int'l Fixed	Ecu	1076.62
w Samurai Portfolio	SF	231.00
d Sanyo Kle. Spain Fd	$	9.25
d Sarakreek Holding N.V.	$	15.40
w Saturn Fund	$	1009.17
d SCI / Tech. SA Luxembourg	$	16.76
m Scimitar Guar. Curr Fd	$	7.92
m Scimitar Guaranteed Fd	$	8.46
w Securefund 2000 Ltd	$	6.00
m Semodes	$	101.52
m SLH Guar. F.F.I.	$	1209.79
w SP International SA	$	10149.63
w Strategic Futures Fd Ltd	$	387.85
m Sussex McGarr	$	1447.00
w Techno Growth Fund	SF	50.94
d Templeton Global Inc.	$	9.48
m The Geo-Global Offshore	$	1095.59
m The J Fund B.V.I. Ltd	$	1138.6910
w The Jaguar Fund N.V.	$	336.05
d The Latin Equities Fd	$	1162.6167
d The Petrus Fund Ltd	$	0.94
w Thema M-M Futures	$	968.13
m TIIC (OTC) Jap. Fd Sicav	$	8.59
b Tokyo (OTC) Fund Sicav	$	6.70 *
w Trans Global Invt Ltd	$	127.17
d Transpacific Fund	Y	18881.00
w Trinity Futures Fd Ltd	$	925.671
d Tudor B.V.I. Futures Ltd	$	11593.18
d Turquoise Fund	$	190.98
m Tweedy Browne (UK) n.v.	$	1438.15
w Tweedy Browne n.v. Cl A	$	4121.48
w Tweedy Browne n.v. Cl B	$	1777.85
d Uni Bond Fund	Ecu	1877.26
r Uni Capital Fund	Ecu	1324.43
w Uni-Global Sicav DEM	DM	1009.80
w Uni-Global Sicav Ecu	Ecu	1010.76
w Uni-Global Sicav FRF	FF	5078.27
w Uni-Global Sicav FS	SF	1010.09
w Uni-Global Sicav USD	$	1081.67
d Unico Equity Fund	DM	61.48
d Unico Inv. Fund	DM	70.29
m Unitrades CHF	SF	1185.06
m Unitrades CHF Reg	SF	1038.04
m Unitrades FRF	FF	12202.69
m Unitrades USD	$	1136.09
d Univers Bonds	DM	151.08
w Ursus Int'l Ltd	$	7653.00
m Valbonne	Ecu	114.39
w Vanderbilt Assets	$	17.91
m Victor Futures Fund	$	193.94
w Vulture Ltd	$	1343.40
w Willer Asian Fund	$	11.44
w Willerbond Capital	$	14.42
d Win Global Fd Bd Ptfl	Ecu	114.07
d Win Global Fd Eq Ptfl	Ecu	97.90
d Win Global Fd Res Ptfl	SF	217.33
d World Balanced Fund S.A.	$	12.48
m Worldwide Limited	$	100.22
w Worldwide Securities	$	44.84
w Worldwide Special	$	966.94
m Young	SF	180.89
m Zweig Int'l Ltd. S/S	$	13930.00

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For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.

Hungary Cultivates German Friendship

By Peter Maass
Washington Post Service

BUDAPEST — When Jozsef Antall became Hungary's post-Communist prime minister in 1990, the first foreign country he visited was not the United States or the Soviet Union; it was Germany. And when hard-liners tried to seize power in Moscow last August, Mr. Antall's first call was to his friend Helmut Kohl, the German chancellor.

Germany's influence is touching all of Eastern Europe, but Hungary is emerging as the only country in the region that is welcoming the development without reservation and eagerly seeking closer ties to Berlin.

While nationalists in Prague and Warsaw fret about a dark shadow of German power, Hungarians such as Mr. Antall are doing all they can to hitch their nation's fortunes to Germany's star.

Much as Britain has a special relationship with the United States, Hungary is positioning itself as a German bulwark in Eastern Europe, a region that is wary about anything smacking of German expansionism. After signing a friendship treaty with Mr. Kohl in February, Mr. Antall, who speaks fluent German, praised Germany's role in Europe and approvingly described it as a "wealthy uncle who can support us." According to diplomats, Hungary's friendship treaty is far warmer than the ones Germany has signed with Poland and Czechoslovakia.

"The government has no fears of Germany becoming militaristic," said Gyula Kodolanyi, Mr. Antall's top foreign-policy adviser. "We are very much in favor of more German investment."

The fall of communism and the subsequent reunification of Germany led to an assumption in world capitals that Germany would dominate the new Europe and emerge as an economic superpower a decade from now, if not sooner — an unappealing prospect for many Europeans who fought to roll back German aggression in two world wars.

That unease is especially acute in Poland and Czechoslovakia, which were occupied and devastated by the Nazis during World War II. Bitterness and suspicion linger to this day, with some darkly warning of a future German economic Anschluss, or annexation.

Hungary, on the other hand, allied itself with Hitler in 1941, and its army marched into the Soviet Union and Yugoslavia with his. As the junior partner in the Austro-Hungarian empire, Hungary also had fought alongside the Germans in World War I.

Instead of fear, many Hungarians express admiration for Germany. Determined to attain Western levels of prosperity, they assume that the presence and support of Germany will help them reach that goal.

The countries of Eastern Europe need help from the outside, and Hungary is no exception. Although performing better than the region's norm, Hungary's economy is enduring a post-Communist recession, and export income and investment could spur growth and modernization.

Foreign experts credit Hungary's government with taking a pragmatic stance of not caring whether investment is in dollars or Deutsche marks. While many Poles and Czechs react stiffly to German investment — even though the amounts are hardly overwhelming — Hungary is calling for more and gently chiding the rest of Western Europe for not following Germany's example.

Since the fall of communism, Germany has replaced the former Soviet Union as Hungary's largest trading partner. American companies have invested more money in Hungary than German ones, but the number of German-Hungarian joint ventures is 10 times higher than the corresponding U.S. figure.

MODEL: *Budapest's Italian Style, With an Accent on Small Companies*

(Continued from first finance page)

$1.5 billion in foreign investment poured into Hungary last year, well over half the Eastern European total. Among major investors over the past three years have been Suzuki, General Motors, General Electric and the French pharmaceutical group Sanofi.

A chief attraction appears to be Hungary's pragmatism. Unlike Czechoslovakia and Poland, which opted for sweeping "shock" programs to introduce market economies, Hungary has taken a more gradualist approach.

In part, this choice reflected the fact that the country had already moved some way toward a mixed economy before 1989. Private holdings in the countryside and small businesses were already widely tolerated when the Communist government fell.

Instead of grand plans, like Czechoslovakia's complex voucher scheme for mass privatization due *to take effect next month*, Hungary concentrates on the dull but important details of capitalist reform: Clear laws similar to those in the West on incorporating businesses, personal and corporate taxation, bankruptcy and remittance of dividends. It has also developed what is considered to be the closest thing to an efficient banking system in the region.

The result is that a businessman like Peter Rona, who is chief executive of the only Western investment fund investing in Eastern Europe, can find attractive places to place money. The First Hungary Fund Ltd. — backed by such giants as Travelers Insurance, Dillon Read and the United Nations pension fund — has invested over $80 million in Hungary in the past year.

Most of this money has gone into small start-up companies, typical of Hungary's emergent capitalism, that have achieved explosive growth.

Among them are a pharmaceutical research firm called Bio Rex and a record company called Quint that, with just 14 employees, chalked up $6.8 million in sales in its first year and grabbed 28 percent of the market.

Another start-up, a cellular phone company called Westel that is a joint venture between U.S. West and the Hungarian phone company, Matav, is growing about 30 percent a year because the ordinary phone system is so bad that individuals and businesses alike are turning to cellular phones.

"As long as you can steer clear of the government, *you're in good* shape to do business in Hungary, and I think I can get a 12 to 14 percent annual return for the fund," Mr. Rona said.

"But if you get involved with trying to privatize a state company, you're in trouble. The ministers are good on expounding on history and truth, but they have virtually no technocratic ability and I don't think they ever got a lot done in their lives."

Mr. Rona's criticism is widely shared. The single biggest threat to Hungary's emergence into sustainable growth appears to be an increasing lethargy in privatization of state enterprises and signs of hesitation in the centrist government party, the Democratic Forum, over the process.

Attila Tarkary Sinca, deputy managing director of the State Property Agency, which oversees privatizations, denied the government was hesitating. "We decided to turn Hungary into a market economy and we abide by this," he said, adding that 10 percent of state companies had already been sold and that 50 percent should be sold within the next two years.

But another senior government official, the budget director, Antal Fahringer, said that "the privatization process should not be forced" and argued that about 50 percent of the economy should remain in state hands.

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
[illegible]										

SUMMARY NOTICE

IF YOU BELIEVE THAT YOU OR ANY MEMBERS OF YOUR FAMILY HAVE ANY CLAIM AGAINST MICHAEL R. MILKEN OR OTHER FORMER EMPLOYEES OF, OR ENTITIES RELATED IN ANY WAY TO, DREXEL BURNHAM LAMBERT INCORPORATED, YOU SHOULD READ THIS IMPORTANT NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY THESE LEGAL PROCEEDINGS, INCLUDING THE PROPOSED SETTLEMENT DESCRIBED BELOW.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

PRESIDENTIAL LIFE INSURANCE COMPANY,
Plaintiff,
-against-
MICHAEL R. MILKEN, THE INDIVIDUALS LISTED ON EXHIBIT "A" BELOW, AND THE PARTNERSHIPS, CORPORATIONS, TRUSTS AND OTHER ENTITIES LISTED ON EXHIBIT "B" BELOW,
Defendants.

92 Civ. 1151 (MP)

CLASS ACTION

SUMMARY NOTICE OF PENDENCY OF CLASS ACTION, OF PROPOSED SETTLEMENT AND OF SETTLEMENT HEARING

To: All persons or entities acting in their own capacity, derivatively, or in a representative capacity, directly or indirectly, having actual or potential claims of whatever kind or nature, which have not been asserted prior to February 4, 1992, against any of the persons (the "Individual Defendants") and entities (the "Partnership Defendants") identified in Exhibits "A" and "B" below (collectively, the "Settling Defendants") arising out of activities from January 1, 1978 through December 31, 1991 (the "Global Class Period") relating to: (1) the business or activities of The Drexel Burnham Lambert Group Inc. (and/or any of its subsidiaries and affiliates who are debtors-in-possession in In Re The Drexel Burnham Lambert Group Inc. et al., Case No. Civ. 90-6954 (MP), Chapter 11 Case No. 90 B 10421 (FGC), Jointly Administered (S.D.N.Y.)) (collectively, "Drexel") in the securities industry as a broker-dealer, underwriter, investment advisor, investment banker, financial advisor, consultant, agent or principal with respect to a wide variety of high yield and other related securities including, without limitation, high yield debt securities, preferred stock, convertible securities, equity securities, warrants, hybrid securities and insurance-related products (such as annuities and guaranteed investment contracts) (collectively, "securities"); (2) the Individual Defendants' employment or activities at or on behalf of Drexel (whether or not alleged to be ultra vires); and (3) investments in or purchases or sales of any securities by or for the direct or indirect benefit of the Individual Defendants through the Partnership Defendants (the "Global Class"). The claims encompassed within the Global Class do not include any claims that have been asserted in any existing case against the Settling Defendants, or any of them, prior to February 4, 1992 (the "Pending Drexel-Related Milken Litigation"); any claims by any Settling Defendant or any of the Settling Defendants' successors, representatives or heirs or any of the members of any Individual Defendants' immediate families; any claims by any entity in which any Settling Defendant has a controlling interest; any claims by any Partnership Defendant and any other similar Drexel-Milken securities investment partnership or other entity; any claims for criminal or administrative sanctions; any government enforcement action; any claims for income tax; any claims for personal injury torts; and any claims on behalf of any non-institutional retail customer of Drexel who maintained any account with Drexel's retail operations, alleging that any of the Settling Defendants churned, mismanaged or improperly supervised any such non-institutional retail customer account.

Notice is hereby given pursuant to Rule 23 of the Federal Rules of Civil Procedure and the order of the Honorable Milton Pollack, Senior United States District Judge for the Southern District of New York (the "District Court"), issued in the above action (the "Global Class Action") on March 11, 1992, of the pendency of the Global Class Action, of the proposed settlement of the Global Class Action (the "Class Settlement"), of the District Court's certification of a class for settlement purposes, and of a hearing (the "Settlement Hearing") to be held for the purpose of determining whether to approve the Class Settlement as fair, reasonable and adequate. If you are a member of the Global Class and do not exclude yourself therefrom, you have the right to appear and participate at the Settlement Hearing, which will be held before the District Court in the United States Courthouse, Foley Square, 40 Centre Street, New York, New York 10007-1581, in Courtroom 1305 at 10:00 a.m. on July 14, 1992.

Under the proposed Class Settlement, a fund of up to $50 million shall be created for the benefit of the Global Class as set forth in the Stipulation of Compromise and Settlement (the "Class Settlement Stipulation") entered into on March 11, 1992 by the above-named plaintiff (the "Plaintiff"), individually and on behalf of all members of the Global Class, and the Settling Defendants.

Pursuant to the Order Preliminarily Approving Settlement and Certifying Settlement Class entered by the District Court on March 11, 1992 (the "Preliminary Approval Order"), the District Court has certified for settlement purposes only the Global Class as defined above in accordance with Rule 23 of the Federal Rules of Civil Procedure. The purpose of the Settlement Hearing will be for the District Court to determine whether to finally approve the Class Settlement as fair, reasonable and adequate in accordance with Rule 23(e) of the Federal Rules of Civil Procedure.

As part of the Preliminary Approval Order, the District Court has entered a preliminary injunction (i) barring and enjoining all members of the Global Class who do not request exclusion therefrom from commencing or prosecuting any claim that has been or could have been asserted in the Global Class Action pending the outcome of the Settlement Hearing; (ii) barring and enjoining all members of the Global Class from commencing or prosecuting, in any court or forum (federal or state) other than the District Court, any action or proceeding that challenges or seeks review of or relief from any act, decision or ruling of the District Court in connection with the Global Class Action; and (iii) providing that any violation of the foregoing preliminary injunction is punishable as contempt of Court, in addition to all other available remedies. In addition, all members of the Global Class will be subject to a covenant not to sue the current and former directors of Drexel identified in Exhibit "C" below, for Drexel-related claims as set forth in the Class Settlement Stipulation.

The proposed Class Settlement, together with a proposed settlement of the Pending Drexel-Related Milken Litigation and a proposed plan of distribution by the United States Securities and Exchange Commission (the "SEC") of the civil disgorgement fund created by Michael R. Milken ("Milken") (the "Milken Civil Disgorgement Fund") in the action SEC v. Drexel Burnham Lambert Inc., et al., 88 Civ. 6209 (MP) (the "SEC Action"), is intended to dispose of all litigation and all claims, whether or not presently asserted, against the Settling Defendants on account of the Settling Defendants' Drexel-related activities (the "Milken Global Settlement"). Both the Class Settlement and the settlement of the Pending Drexel-Related Milken Litigation are each conditioned, inter alia, upon their respective final judicial approvals. Class Counsel are also signatories to the agreement entered in connection with the Milken Global Settlement.

The Milken Global Settlement provides for the payment of approximately $1.3 billion (the "Milken Global Settlement Fund") to be dedicated to the payment of these claims. The Milken Global Settlement Fund consists of the Milken Civil Disgorgement Fund, a fund of $400 million, plus interest, which Milken established as part of his settlement with the SEC in the SEC Action; the payment by Milken of an additional $500 million; the payment by the other Settling Defendants (excluding Milken) of $300 million; and the payment by Drexel's insurance carriers of up to $100 million.

As part of the Milken Global Settlement, a fund of up to $50 million (the "Global Class Action Settlement Fund") will be established and dedicated to the payment of the claims of the members of the Global Class. It is contemplated that there will be a proposed plan of allocation and distribution of the Global Class Action Settlement Fund subsequent to final approval of the Class Settlement. The members of the Global Class will share in the Global Class Action Settlement Fund as provided for by such plan of distribution and allocation and related documents subject to the approval of the District Court.

In particular, it is contemplated that a plan of allocation (the "Plan of Allocation") will be established in connection with the distribution of the Global Class Action Settlement Fund to the members of the Global Class who submit valid, timely proofs of claim ("Authorized Claimants") as set forth more fully below. It is anticipated that the Plan of Allocation will provide each such Authorized Claimant with a proportionate share of the Global Class Action Settlement Fund, after the deduction of certain administrative fees and expenses, based, among other things, on the nature, type and circumstances surrounding such Authorized Claimant's claim; the overall quantity of all such claims; the period during which the claim arose; whether the Authorized Claimant has participated in other proceedings relating to the claim and other factors.

Class Counsel will be responsible for administering the Global Class Action Settlement Fund and creating, submitting and implementing the Plan of Allocation. The Plan of Allocation will be subject to the approval of the District Court.

If the proposed Class Settlement obtains final judicial approval, Plaintiff and all members of the Global Class will release all of their claims which are or could have been asserted in the Global Class Action as against the Settling Defendants and related persons and entities as provided for in the agreement entered in connection with the Milken Global Settlement and related documents as to the Global Class, on account of the Settling Defendants' Drexel-related activities as described more fully in the Class Settlement Stipulation. Similarly, all of the Settling Defendants will release all of their Drexel-related claims as against the Plaintiff and the members of the Global Class, Drexel and each other. Under certain specified conditions, the Milken Global Settlement provides the Settling Defendants with certain claims over and judgment reduction protection with respect to claims asserted in the Pending Drexel-Related Milken Litigation, as set forth more fully in the agreement entered in connection with the Milken Global Settlement and accompanying documents. Under certain circumstances, the Global Class Action Settlement Fund may be required to indemnify the Settling Defendants, as set forth more fully in the agreement entered in connection with the Milken Global Settlement.

THE DISTRICT COURT HAS NOT DETERMINED THE MERITS OF THE CLAIMS ASSERTED BY PLAINTIFF OR THE DEFENSES OF THE SETTLING DEFENDANTS THERETO. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW OR THAT RECOVERY COULD BE HAD IN ANY AMOUNT IF THE LITIGATION WERE NOT SETTLED.

The Class Settlement will be presented to the District Court for approval at the Settlement Hearing described above. At the Settlement Hearing, the Court will consider whether it will approve this Class Settlement and the Class Settlement Stipulation. The Settlement Hearing may be adjourned from time to time by the District Court without further notice. The District Court's decision will be binding upon all Global Class members who wish to participate in the Class Settlement.

At the Settlement Hearing, counsel for plaintiff in the Global Class Action may apply to the District Court for an award of reasonable attorneys' fees and administrative expenses to be payable solely out of the Global Class Action Settlement Fund and any interest earned thereon, as appropriate, without recourse against any of the Settling Defendants.

Any Global Class member has the right to appear at the Settlement Hearing in person, or by counsel if an appearance is filed and served as hereafter provided, and be heard to the extent allowed by the District Court in opposition to the fairness, reasonableness and adequacy of the proposed Class Settlement. However, except for good cause shown, no person shall be heard in opposition to the proposed Class Settlement or any judgment or order to be entered thereon, and no papers or briefs submitted by such person shall be accepted or considered by the District Court, unless on or before June 24, 1992, such person (a) has filed with the District Court a notice of such person's intention to appear at the Settlement Hearing together with a statement that indicates the basis for such opposition along with any supporting documentation and (b) has served copies of all such notices, statements and supporting documentation, together with copies of any other papers or briefs which said person files with the District Court, either in person or by mail, upon:

David Berger, Esq.
Berger & Montague, P.C.
1622 Locust Street
Philadelphia, Pennsylvania 19103

Arthur L. Liman, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064

Theodore N. Miller, Esq.
Sidley & Austin
One First National Plaza
Chicago, Illinois 60603

Stanley Nemser, Esq.
Wolf Popper Ross Wolf & Jones
845 Third Avenue
New York, New York 10022

Daniel R. Murdock, Esq.
Donovan Leisure Newton & Irvine
30 Rockefeller Plaza
New York, New York 10112

Any person who wishes to be excluded from the Global Class may do so by mailing a timely and valid request for exclusion ("Request for Exclusion") to Class Counsel and each of the other attorneys specified in the immediately preceding paragraph, by no later than June 24, 1992. A Request for Exclusion preferably should set forth the following information with respect to the person or entity requesting such exclusion: name, address and telephone number; a description of the facts upon which such Global Class member bases a claim against the Settling Defendants; the amount claimed by such Global Class member to be owing to such member by reason of the claim; and the reasons for which the exclusion is sought. All Requests for Exclusion must be signed by or on behalf of the person or entity so requesting the exclusion. If you request exclusion, you will not be bound by the Class Settlement and will not receive any benefits therefrom, nor will you be entitled to share in the Global Class Action Settlement Fund. If you do not request exclusion, you will be bound by the Class Settlement and are eligible to receive benefits therefrom, including the Global Class Action Settlement Fund.

In order to participate in the distribution of the Global Class Action Settlement Fund in the event the settlement is finally approved, members of the Global Class are required to file a properly executed Proof of Claim with the Claims Administrator no later than July 7, 1992. The Proof of Claim form may be obtained by writing to the Claims Administrator in care of the following address:

Heffler & Company
P.O. Box 1210
Philadelphia, Pennsylvania 19105

For a more detailed statement of the matters involved in the Class Settlement, reference is made to the pleadings, to the Class Settlement Stipulation, to the settlement agreement and related documents entered in connection with the Milken Global Settlement and the orders entered by the District Court and to all other papers filed in connection therewith, which may be inspected at the Office of the Clerk of the United States District Court, Southern District of New York, Foley Square, 40 Centre Street, New York, New York 10007-1581, during normal business hours each business day.

A MORE DETAILED SUMMARY OF THE CLASS SETTLEMENT, THE GLOBAL CLASS ACTION AND *RELATED MATTERS MAY BE OBTAINED BY WRITING TO HEFFLER & COMPANY AS SET FORTH* ABOVE.

DO NOT DIRECT ANY INQUIRY TO THE DISTRICT COURT OR THE CLERK OF THE DISTRICT COURT.

DATED: New York, New York
April 22, 1992

By Order of the District Court

Clerk, United States District Court
Southern District of New York

EXHIBIT "A"- The Individual Defendants: Roy Abbott; Paul Abecassis; Jack Ackerman; Peter Ackerman; Joseph P. Adams; Steven Anreder; Joel Asen; Andrew Astrachan; Mark Attanasio; Eileen Austen; Herbert Bachelor; Estate of Stanley Bailowitz; Jeffrey Balash; Donald Balser; Dan Barbon; Jeffrey P. Beck; Joseph Bencivenga; Richard A. Bergman; David W. Bergmann; Martin L. Berman; Robert D. Beyers; Paul Biddelman; Arthur H. Bilger; Leon Black; Jay Bloom; Frederick Borden; Thomas Boudakian; Gerald Brodsky; William Brun; Bruce Brown; Michael D. Brown; E. Alan Brumberger; Gerard [illegible] Bucci; Jon E. Budish; Dort A. Cameron, III; Nancy Cates (one and same as Nancy Gordon); Thomas Caschois; John Cavalier; Jeffrey Chanin; Mark Chasin; Franklin Chu; John Chulick; Thomas P. Clerkin; Craig M. Cogut; Thomas Connors; Richard Crowell; Lorraine D'Ambrosio; James Dahl; Charles Dargan; Robert A. Davidow; Marshall Davidson; Logan D. Delany, Jr.; Carl DeRemer; Dennis Dolan; Richard Dumler; David Dupont; Maurits E. Edersheim; William Eng; Donald Engel; Chris Evensen; Robert Fallon; Geoffrey L. Faux; David Feinman; Michael E. Fields; Ralph Finerman; Alan J. Fishbein; Steven Fischer; Patrick Flanagan; Allen Flans; Richard S. Frary; Joshua Friedman; William Frymer; Dennis M. Galgano; Peter R. Gardiner; Bruce Garver; Richard L. Gelfond; Michael E. Gellert; Joel L. Gold; Mark Goodman; Robert Goodwin; Kevin J. Gorman; Patrick L. Graham; Jeffrey Green; Richard Handler; John J. Hannan; Joseph Harch; Reed L. Harman; Scott Harrison; David Hedley; Andrew Heyer; J. Ericson Heyke, III; Paul Higbee; Richard H. Hochman; Harry Horowitz; John Humphreville; Susan Humphreville; Jay Jablonow; Jon Jetmore; Paul Jetter; Roy J. Johnson; Lisa Jones; Roger Jospe; Mitchell R. Julis; Edwin Kantor; Steven Kantor; David Kay; Dean Kehler; Donald Kendall; David Kiarsis; John H. Kissick; Barry F. Klein; Robert Kline; Lynne Knox; Gerald Koenig; Gerald Koerner; Robert L. Kohl; John Kraszmekewicz; John A. Ladyzinski; Graciela Lagunas; Anthony Lamport; Jeffrey Lane; Jack Langer; Douglas Lehrman; Paul Levy; Trevor Lewis; Robert Lloyd; Bridgette S. Loden; Kevin J. Madigan; Joel Maez; J.O. Maggard; Mary Lou Malanoski; Alison J. Mass; Cary J. Maultasch; Frederick McCarthy; Douglas McClure; John McMahon; Leonard Meads; Lowell J. Milken; Michael R. Milken; David Mills; Kenneth Moelis; James Moglia; Pamela Monzert; John Moriarty; Frederick S. Moseley; Philip W. Moss; Donald Mullen; Allen Nadler; Jeffrey L. Neuman; Richard Nevins; Bruce Newberg; Mark Noonan; Thomas Noonan; Terren S. Peizer; Arthur Phillips; Lawrence A. Post; James D. Price; Harold Purkey; Bruce Raben; Joseph J. Radecki; Michael W. Ranger; Marc Rapaport; Paul Rapisarda; Jess M. Ravich; James L. Rawlings; Langhorne Reid, III; Thomas E. Reinhart; Anthony Ressler; Barry W. Ridings; Randy Rock; Richard Rosee; Naomi Rosenfeld; Alan E. Rosenthal; Stephen Roth; Peter Rothschild; Richard V. Sandler; Patrick Savin; Sylvan Schefler; James Schuffner; Nicholas Schlumberger; James A. Schneider; Kevin W. Schultz; Douglas Scott; Janice L. Shapiro; Allyson Shields; Ruben Shohet; Jonathan D. Sokoloff; John Sorte; Lorraine Spurge; Linda Stedman; Stanley Stein; Lee Stern; James G. Sullivan; David Sydorick; Cathryn Taylor; John Taylor; Maria Thomas; Charles A. Thurnher; William R. Tobey, Jr.; Warren Trepp; Stanley Trotman; Olivier Trouveroy; Marc A. Utay; Patsy Van Utt; George Varughese; Edward G. Victor; James E. Virtue; Leon Wagner; Sven Wehrwein; Jeffrey E. Weinhoff; Stephen D. Weinroth; John Welker; Henry M. Wilf; Alexa D. Willson; Gary Winnick; Stephen Winningham; David Ying; Ronald N. Yurcak.

EXHIBIT "B"- The Partnership Defendants: AFP Investments; AHP Holdings, Inc.; AHP Investments; Alamo Associates; Alamo Investments, L.P.; All-Fed Investment Associates; Alta Associates; Anchor Capital Holdings, a California Limited Partnership; ARA Partners (a.k.a. ARA Partnership); Arete Partners (a.k.a. Arete Partnership); Argonaut Ventures Group; Armacor Incorporated; Arrowlake Investors; Arroyo Pacific Investments, L.P.; Associated Capital; Associated Investors; Atlantic Financial Investors, L.P.; Atlantic Management Group, L.P.; Balmar Investors, L.P.; Bandelier Associates; Barid Corporation; Barlem Associates; Barrows Associates (a.k.a. Barrons Associates); Bass Investment L.P.; Bayberry Financial Group, Inc.; BCP Capital Partners, a California Limited Partnership; BCP Capital Partners II, L.P.; BCP Capital Partners, L.P.; Beaumont Holdings; Beauty Care Partners; Beary Associates; Belvedere Securities; Bergman, Knox & Green; Bering Associates; Bicoast Investment Associates (a.k.a. CFD-OCA Associates); Biscayne Capital, L.P.; BMA Limited Partnership; Brittany Holdings, L.P.; Buel's Gore Associates (a.k.a. Buel's Gore and Buel's Gore Associates II); Cabot Associates, Ltd.; CACF Partners Ltd.; Calco United Investors (f.k.a. Calco Group Investors); Cambrent Associates; Cambrent Financial Group, Inc.; Cambridge Associates; Camden Investments, Inc. (a.k.a. Topanga Financial Corp.); Camont Associates; Camont Investments, Inc.; Camro Associates; Camro II Associates; Canterbury Group; Capital Coast Partners; Capital First Investors; Capital Fund Foundation (f.k.a. The Milken Family Foundation); Capitol Investments (f.k.a. Mantar Associates, a.k.a. Capital Investments); Captran Venture Associates (a.k.a. Captran Venture Associates, L.P.); Cardiff Associates; Carlton Investments; Carlyle Associates; Carlyle II Associates; Carthay Investments; Cavalier Associates; Centennial Financial; Century Institutional Advisors; CFD Partners '81; Champlain Associates; Chandeleer Investors, Ltd. (f.k.a. Chandeleer Associates, Ltd.); Chatham Capital; Chesapeake Partners; Chessmont Investment Associates, a California Limited Partnership; Chessmont Investors (a.k.a. Chessmont Investors, L.P.); Chesterfield Investments, L.P.; Chesterfield Ventures Fund Co.; Chieftan Investment Capital Corp.; Childress Group, Inc (a.k.a. The Childress Group, Inc.); Childress High Yield Fund, L.P.; Chittenden Associates; Clayton & Dubilier Private Equity Fund Ltd.; Clayton & Dubilier Private Equity Fund II Ltd.; Clayton & Dubilier Private Equity Fund III Ltd.; CLC Financial Partners, L.P. (f.k.a. Bowman Capital and Computerland Partners); CLC Investors, L.P.; Cleburne Enterprises; Coast Holdings; Coastal Capital Partners (a.k.a. Coast Capital Partners); Color Tile Investments; Commercial Management Co., L.P.; Commonwealth Equities; Commonwealth United; Concordia Investment Associates (a.k.a. CFD Partners '81); Conport Associates, a California Limited Partnership; Contera Partners (f.k.a. CFD Financial Partners); Continental Associates, Ltd., a California Limited Partnership; CR Associates; Crescent Capital Associates; Cristal Partners; Dalton Associates, Dayton Investments; DBL Employee Profit Sharing Plan Vol. Cont. A/C #1; DBL Transcap Partners; Delphia Investment Associates (f.k.a. Gascony Investors); Demeter Capital Corporation; Dencal Partners; Denslow Financial Associates; Dickinson Associates; Downingville Associates; DR Capital Partners; Drexel Reliance Capital Group Partnership; DRJ Associates; Dunmore Partners; Dunmore Partners, Ltd.; Dunstable Investments, Inc.; Durant Financial Associates; EBOC Associates; EJ Associates; Elmwood Investments; Elstead Partners; Embassy Capital Group, Inc.; Ensign National Association; Essex Financial (f.k.a. GLJ Partnership); Execor, Incorporated; Fairfield Investment Group, Ltd.; Fairwood Investments, Inc.; Fairwood Partners; Field Ranch, Inc.; Fillmore Financial; Financial Associates; Financial Investments (a.k.a. Financial Investments, a California Limited Partnership); Financial Partners; Financial Partners II (a.k.a. Second Financial Partners); Finfund Management, L.P.; Fircon Partners; Firebird Investments; First Alliance Financial; First Alliance Investments; First Brittany Holdings, Inc.; First Coastal Associates; First Financial Partners; First General Financial; First Guardian Enterprises, Inc.; First Guardian of Texas, L.P.; First Management Co. (f.k.a. Zephyr Management Co.); First Stratford, Inc.; First Stratford Life Insurance Company; First Union Investments; F.O.L. Holdings; Foreman Associates (f.k.a. Oxyrock Partners); Framingham Investments; Framingham Partners; Fulton Partners; Galway Investment Associates, L.P. (a.k.a. Galway Investment Associates, a California Limited Partnership); GC Partners; General Financial; Glenbay, Inc.; Glencoe Investors, L.P. (f.k.a. First Guardian of Texas, L.P.); Gloucester Asset Management; Gotham Capital; GPI Associates; Greystone Partners; Guardian Equity, a California Limited Partnership; Guardian Global Associates; Guardian Global Incorporated; Guildford Capital (f.k.a. Richardson Capital); Hammond Associates; Hanover Investment Associates, L.P.; Hastings Associates; Hamon Hall Associates; Haywood Investments; Hemisphere Capital; Heritage Capital; Heritage Hall Investments; Hillside Capital; Holland Partners; Hopkins Associates; Hudson River Associates; Hybon Corporation; IDB Investment Associates; Incon Associates; Interconsolidated Investors (f.k.a. Consolidated Investors); International Consolidated Associates, L.P.; Investment National; JEJ Partnership (f.k.a. JEJ Partners); Jellicle Associates (a.k.a. Jellicle Associates, a California Limited Partnership); JMP Associates; JMP Investors; JP Associates; Kidpix Associates; Kingsly Partners; Kraft Associates; L Holding Investments, a California Limited Partnership; L&S Trust (a.k.a. L&S 1981 Trust); Lafayette Associates (a.k.a. Lafayette Partners); Lahus V Syndicate, Inc. (f.k.a. Lahus V Inc., a.k.a. Lahus V Associates); Lambda CFD '87 L.P.; Lambda I Capital Partners; Lambda II; Lambda II Capital Partners; Lambda II Private Investment Account; Lambda III; Lambda III, L.P.; Lambda III Capital Partners; Lambda III Fund; Lambda III Private Placement; Lambda Private Placement; Lambda Private Placement Account; Lambda Partners, Ltd.; Lambda Private Investment Account; Lennox Investors; LMAR Partners; Lobos Associates; Lombardy Equities; Lorsand Partnership; L&S Milken Foundation; M and L Milken Foundation; M&L 1981 Trust (a.k.a. M&L Trust); MacPherson Investment Partners; MacPherson Management Associates; Macson Investments, Inc.; Magtek Partners, L.P.; Malaga Capital, L.P.; Manchester Investments, L.P.; Marglen Associates (f.k.a. Alpine Partnership); Marglen Inc.; McCook Financial Enterprises; Meridian American, Inc. (CAL Meridian (in CA)); Merrick Associates; Merrimac Fixed Assets; Metro Associates; MIAD Partners; Milken Family Foundation; Milow Corporation; ML Associates; ML Portland Associates, Ltd.; ML-SL Incorporated; Model Investment Associates; Monitor Equity, L.P., a California Limited Partnership; Monmouth Partners; Monogram Financial Investments, a California Limited Partnership (f.k.a. Crestridge Investment Associates); Montaigne Enterprises; Montgomery Partners (a.k.a. Montgomery Partners, Ltd.); Monument Capital L.P.; Moredon Partners, Ltd.; Motel Investments, L.P.; MVS, Ltd.; Neilsen Partners; New CWT Partners (a.k.a. New CWT Associates); New Levitz Associates, a California Limited Partnership (f.k.a. Fulton Venture Associates); 9560 Associates, Ltd.; Ocelot Associates; OP Capital Partners, L.P.; Optimus Financial Associates; Otter Creek Associates; Owens Capital; Ozark Investment Group; Pace Investments, L.P.; Pacific Asset Advisors; Pacific Asset Corporation; Pacific Asset Holdings, L.P.; Pacific Asset Management, Inc.; Pacific Assets Partnership; Pacific Continental Partners; Paragon Asset Holdings; Parco, Inc.; Parco International, L.P.; Parco Partners; Picardy Financial; Pier Port Investment Management (a.k.a. Pier Port Investments); Pollicis Capital; Porter & Jenkins Enterprises; Premier Paragon Partners (Gothic); Prime Assets Corporation; Prime Capital Associates; Prospero Asset Management, L.P.; Prospero Assets, Inc.; Prospero Partners; Purcell Associates; Quadpics Enterprises Inc.; RA Partnership (a.k.a. RA Associates); Raleigh Investment Management; Ramstar Investments, Inc.; Rayburn Associates; Real Property Associates; Regency Equities Corp. (f.k.a. Regency Investors); Regency Equities Corp. Stockholders Liquidating Trust; Reliance Associates (a.k.a. Reliance Associates, L.P.); Reliance Capital Group, L.P.; Remington Financial; Resource Investors, a California Limited Partnership; Revell Investments, a California Limited Partnership; RJ-LG Company, Inc.; Roblar Associates; Rocam Associates (a.k.a. Rocam Investments, Inc.); Rocam II Associates; Rodeo-Wil Associates, Ltd.; Romont Associates; Romont Investments, Inc.; RWLC Partners; Salisbury Enterprises, L.P.; Samurai Associates; Saxon Associates; SCI Associates (a.k.a. SCI Associates, a California Limited Partnership); SCI Capital Associates, L.P.; SCI Partners (a.k.a. SCI Partners, a California Limited Partnership); SDIC Associates, Ltd.; Second Financial Partners; Second General Financial; Seadel Partners; Sherbrooke Associates; Sheridan Associates; Sherwood Financial, a California Limited Partnership; Shoreglen Associates; Shoreglen II Associates; South Coast Partners; South Saxony Investment Group; Southern Electronics Investments; Southwest Financial; Srapex Associates; Stoneham Natural; Summit Holdings; Sun Brook Partners; Suncoast Financial; Suppow Investment Associates; Tangent Associates; Tangent Capital, a California Limited Partnership; Tartan Financial Associates; Teton Investors, L.P.; Transcentury Investments; Translimited; Translimited II; Triplestone, Inc.; Valcour Associates; Valcour Associates II; Wallstone Associates; WB Associates; Wellesly Investments, a California Limited Partnership; Western Capital Group (a.k.a. Westham Capital Group); Westminster Capital; Westridge Investment Associates, a California Limited Partnership; Whitehall Financial Associates; Whitmore Capital, L.P.; Whitson Investors, L.P.; Whitworth Associates; Whitworth Capital Partners; Wicklow Investment Associates; Wilcam Financial Group, Inc.; Wilshire First Associates; Winooski Associates (a.k.a. Winooski Partnership I); Winooski Partners II (a.k.a. Winooski Partnership II); Winooski Partners III (a.k.a. Winooski Partnership III); Winooski Partners IV (a.k.a. Winooski Partnership IV); Winooski Partners V (a.k.a. Winooski Partnership V, Winooski V and Winooski Associates V); Winston Capital Partners; Woodglen, Inc.; Woodtime Associates; WP Capital Partners; WRC Associates; Wriston Associates, a California Limited Partnership; WTV Associates; Yorkshire Group Investments, a California Limited Partnership.

EXHIBIT "C"- Current and Former Drexel Board Members Receiving Covenant Not to Sue: G. Christian Andersen; James Balog; Howard M. Brenner; W. Thacher Brown; Richard E. Bruce; I. W. Burnham II; Fletcher Byrom; Richard J. Capalbo; Haig M. Casparian, Joseph Castellano; Alexander J. Chapro; John D. Coffin; Angela Zizzi Dailey; James M. Davin; Michel Delloye; Herbert Dunn; Aaron R. Fehrman; George Eskenazi; Albert Frere; Eugene J. Glaser; Roderick M. Hills; Mary Jo Jacobi; Frederick H. Joseph; Stephen L. Joseph; Mohammed Khotja; Michael J. Kogler; Baron Leon Lambert; Jean E. Lanier; Frank Lenzi; Robert E. Linton; Thomas H. Lovell, Jr.; Richard A. Malo; David Meadow; Paul A. Merolla; Deborah Midanek; Andre R. Morse; Joseph M. Murphy; Robert Rubin; Richard L. Sander; Ralph S. Saul; Nelson Schiff; Stanley Schiff; Hercules A. Segalas; John Shad; Alan M. Sher; Burton M. Siegal; Walter Sleszkowski; Gaston Thorn; Joseph H. Vittoria; Michael Woodford; Richard J. Wright; Arnold Van Zeeland; Frederick Zuckerman.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:
UNITED PRESS INTERNATIONAL, INC.,
Debtor.

Chapter 11
Case No. 91 B 13955 (FGC)

NOTICE OF HEARING OF (A) AUCTION SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF UNITED PRESS INTERNATIONAL, INC. FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS AND FREE OF ANY STAMP OR SIMILAR TAX REQUIREMENTS AND (B) THE ASSUMPTION AND ASSIGNMENT, OR REJECTION, OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

PLEASE TAKE NOTICE, that upon the application (the "Application") of United Press International, Inc., Debtor and Debtor-in-Possession (the "Debtor"), and the order of the Bankruptcy Court dated April 27, 1992 (the "Scheduling Order"), an auction has been scheduled before the Honorable Francis G. Conrad, United States Bankruptcy Judge, on May 12, 1992 at 3:30 p.m., or as soon thereafter as counsel may be heard (the "Hearing"), at the United States Bankruptcy Court for the District of Vermont, 67 Merchants Row, Opera House, 2nd Floor, Rutland, Vermont 05701.

PLEASE TAKE FURTHER NOTICE, that at such Hearing, the Debtor will seek entry of a further order pursuant to Sections 105, 363(b) and (f), 365 and 1146(c) of Title 11, United States Code, 11 U.S.C. 101 *et seq.* (the "Bankruptcy Code"), among other things, (a) authorizing the Debtor to sell all or substantially all of its assets, free and clear of all liens, claims and encumbrances, and free and clear of any stamp or similar tax requirement, pursuant to the Proposed Order attached to the Application as Exhibit "A" and pursuant to the terms and conditions of an asset purchase agreement in the form as approved by the Court (the "Asset Purchase Agreement"), a proposed form of which is attached to the Application as Exhibit "B", to the person(s) or entity(s) (the "Asset Purchaser") which submit the highest and best offer(s) for the purchase of the Debtor's assets at the Hearing in accordance with the terms and conditions of the Solicitation for Bids and Terms and Conditions of Auction attached to the Application as Exhibit "D" (the "Bid Terms"), and (b) authorizing and approving the assumption and assignment, or rejection, of the Debtor's executory contracts and unexpired leases (collectively, the "Contracts").

PLEASE TAKE FURTHER NOTICE, that the assets consist of, but are not limited to: (a) all right, title and interest in the names United Press International, Inc.; United Press International; UPI and other derivatives thereof and various other registered trade names and trademarks and the goodwill associated therewith; (b) customer lists and various other data and computer software and hardware; (c) various communications equipment utilized in the operation of the Debtor's wire service business; (d) the capital stock of United Press International (U.K.) Ltd.; and (e) the Contracts which are capable of assumption and assignment to an Asset Purchaser (collectively, the "Assets").

PLEASE TAKE FURTHER NOTICE, that the transactions more fully described in the Application provide that, among other things, (A) pursuant to Sections 363(b) and (f) of the Bankruptcy Code, the Assets shall be sold and transferred to the Asset Purchaser *free and clear of any and all liens, encumbrances, claims and interests* whether or not allowable (as such terms are defined in the Bankruptcy Code), security interests, title retentions, charges, and any other interest in such Assets of an entity other than the Estate (collectively, the "Encumbrances"), including but not limited to (i) all claims in the Chapter 11 case, and (ii) any and all transfer taxes from which the transfer of the Assets is exempt pursuant to Section 1146(c) of the Bankruptcy Code, with the Encumbrances thereafter only attaching to the proceeds of sale, with the same priority, validity, force, effect and enforceability, and subject to the same defenses and avoiding power actions as such Encumbrances have or may now be subject to with respect to the Assets, and (B) each and every federal, state and local governmental agency or department be directed to accept any and all documents and instruments, necessary and appropriate to consummate the transactions contemplated by the Asset Purchase Agreement.

PLEASE TAKE FURTHER NOTICE, that in the event a party to any of the Debtor's Contracts disputes that there are no defaults under such Contracts, or disputes that there are no sums or other acts or performance that are defaults which must be satisfied under Sections 365(b)(1) and (f)(2) of the Bankruptcy Code, said party shall serve and file an objection, in accordance with the procedures set forth in the Scheduling Order, which requires that such objection set forth, among other things, all defaults, including all sums or other acts or performance, claimed to be due and owing. Any party which fails to timely file and serve such an objection will be deemed to have waived and released any and all claims under Section 365 of the Bankruptcy Code to any sums owed (or other default, cure or adequate assurance required). The Debtor and the Asset Purchaser reserve the right to seek a determination at the Hearing as to the validity of any such claim set forth in an objection, and to reject Contracts.

PLEASE TAKE FURTHER NOTICE, that a copy of the Scheduling Order, the Application and the Exhibits annexed thereto, including the Bid Terms and the form of Asset Purchase Agreement (collectively, the "Pleadings") are on file with the Clerk, United States Bankruptcy Court, Southern District of New York, One Bowling Green, Fifth Floor, Alexander Hamilton U.S. Custom House, New York, New York 10004-1408, and may be examined by any and all interested parties at any time during regular business hours. Additional information and copies of the Pleadings can also be obtained from Proskauer Rose Goetz & Mendelsohn, Counsel to the Debtor, 1585 Broadway, New York, New York 10036, Attention: Ms. Nancy Rice, Legal Assistant, telephone (212) 969-4217, provided that such requesting party shall be required to pay the actual cost of duplicating such documents.

PLEASE TAKE FURTHER NOTICE, that the Debtor will entertain offers *from all parties interested in acquiring the Assets*. The procedures and conditions pursuant to which interested parties may make offers to purchase the Assets are detailed in the Bid Terms. All bids received by the Debtor from interested parties with respect to the purchase of Assets shall be subject to higher and better offers which shall be solicited prior to or at the auction to be conducted in open court at the Hearing.

PLEASE TAKE FURTHER NOTICE, that objections to the Application and the relief to be considered at the Hearing (i) shall be in writing; (ii) shall comply with the Bankruptcy Rules and the Local Bankruptcy Rules of this Court; (iii) shall set forth the name of the objectant, the nature and amount of any claim or interest alleged by such objectant against the Debtor's estate or property; (iv) shall state with particularity the legal and factual basis for such objection; and (v) shall be filed with this Court, with a copy provided to chambers of Bankruptcy Judge Conrad, the United States Bankruptcy Court for the District of Vermont, 67 Merchants Row, Rutland, Vermont 05701 and served upon (a) Office of The United States Trustee, United States Bankruptcy Court, Alexander Hamilton U.S. Custom House, One Bowling Green, New York, New York 10004, Attn: Keith Costa, Esq.; (b) Proskauer Rose Goetz & Mendelsohn, Counsel to the Debtor (at the address set forth above), Attention: David Zimmerman, Esq.; and (c) Keck, Mahin & Cate, Counsel to the Committee, 8300 Sears Tower, 233 South Wacker Drive, Chicago, Illinois 60606-6589, Attention: Dennis O'Dea, Esq., and Keck, Mahin, Cate & Koether, 620 Fifth Avenue, New York, New York 10020-2402, Attention: Cary Samowitz, Esq., such that all such objections, if any, are received and filed no later than May 7, 1992.

PLEASE TAKE FURTHER NOTICE, that the Bankruptcy Court shall retain jurisdiction to determine all matters arising out of or relating to (a) any objections to the Application and (b) determining the highest and best offer with respect to the purchase of the Assets. Each person or entity filing such an objection or submitting a bid at or prior to the Hearing shall (i) be governed by the Bid Terms and the conditions set by the Bankruptcy Court, and (ii) subject itself to the jurisdiction of the Bankruptcy Court as to all matters arising out of a given objection or offer and all related matters.

PLEASE TAKE FURTHER NOTICE, that the Hearing may be adjourned without further notice, other than an announcement of such adjournment in open court at the Hearing.

Dated: New York, New York
April 27, 1992

ORDER OF THE BANKRUPTCY COURT
HONORABLE FRANCIS G. CONRAD
UNITED STATES BANKRUPTCY JUDGE

PROSKAUER ROSE GOETZ & MENDELSOHN
Counsel to United Press International, Inc., Debtor and Debtor-in-Possession
1585 Broadway
New York, New York 10036
(212) 969-3000
Attn: Remy J. Ferrario, Esq.
David Zimmerman, Esq.

NASDAQ
Monday's Prices

Bayer:

Plastics
It is our
burden

NASDAQ

Monday's Prices

NASDAQ prices as of 4 p.m. New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is published - updated twice a year.

Bayer: Expertise with Responsibility.

Plastic crash helmets are an essential part of every motorcyclist's equipment.

Plastic products play a valuable role in our daily lives. But what about the waste that is an inevitable by-product of their manufacture? And what is to be done with them when their useful life is over? Should they continue to be deposited in landfills?

Bayer says no. We are minimising the negative aspects of plastics by avoiding, reducing and recycling waste. In the automotive industry, for example, we are working towards recycling all usable plastics from old cars.

And for many years now, the waste from Bayer's plastics production in Germany has been processed by a specialist company and used in the manufacture of new products. More recently we have embarked on a joint venture with BASF and Hoechst in the field of plastics recycling.

These and other projects are helping to secure the future of plastics as an asset in our lives.

We would be happy to provide more information upon request. Please write to: Bayer AG, Public Relations Department (KV), W-5090 Leverkusen, Germany. KI 4398

Plastics make our lives safer.
It is our responsibility to prevent them burdening tomorrow's environment.

Bayer

Embargo Bars Vietnam Loans

Compiled by Our Staff From Dispatches

HONG KONG — A Vietnamese central bank official expressed displeasure Monday with the U.S. trade embargo against his country, which he said was preventing the disbursement of $300 million in needed loans from the Asian Development Bank.

"The embargo has been more than 10 years now, and we need to develop our country," said Nguyen Cong Hai, director of the foreign department of the central State Bank of Vietnam.

The ADB, which suspended loans to Vietnam after it invaded Cambodia in late 1978, has four proposals on the table for badly needed infrastructure projects totaling nearly $300 million.

But the credit line remains blocked by Washington's trade embargo against its former enemy. Although the United States has eased some prohibitions against Vietnam in recent weeks, it has said relations would not be normalized until the 2,266 soldiers it lists as missing in Indochina since the Vietnam War are accounted for.

The United States has a 16.3 percent shareholding in the ADB, tying it with Japan for the most influence among the 52 members.

The ADB is holding its 25th annual meeting in Hong Kong. Cao Sy Kiem, governor of the State Bank of Vietnam, met ADB President Kimimasu Tarumizu on Sunday to discuss priority sectors for loans to Vietnam, according to Mr. Hai.

Mr. Hai said, "We have cooperated with the ADB to prepare some projects for ADB lending." He added that priority areas were infrastructure, transportation, agriculture and education.

The projects earmarked for interest-free loans through the bank's Asian Development Fund include a $100 million irrigation project in the Red River Delta and $45 million to upgrade Saigon Port in Ho Chi Minh City.

Also proposed is an $80 million project to improve the road between Ho Chi Minh City and Nha Trang, and $68 million to upgrade water supplies in Ho Chi Minh City.

Mr. Hai also said Washington was pressuring foreign banks that do business with Vietnam. He said it views dollar transactions as a violation of Washington's trade embargo. The American Treasury has been warning foreign banks operating in the United States against such transactions since last year. *(Reuters, AFP)*

Taiwan's Surplus Soars As China Trade Expands

Reuters

TAIPEI — Taiwan's trade surplus, buoyed by strong exports to China, soared 427 percent from a year earlier to $1.46 billion in April, the Finance Ministry said Monday.

Exports hit a monthly record of $7.25 billion in April, up from $6.94 billion in March and $5.63 billion in April 1991, the ministry said. For the first four months of the year, the surplus more than doubled to $4.03 billion, from the year-earlier period.

Trade officials and economists attributed the surge in exports mainly to rapid growth in shipments to Hong Kong, the main conduit for Taiwan's booming trade with China.

"Shipments to Hong Kong and the Chinese mainland, particularly in areas such as chemicals and industrial parts, are showing great strength," said a senior ministry official. Taiwan's surplus with Hong Kong was $1.45 billion in April, up 83 percent from a year earlier.

Economists said the rise in the surplus eased fears that the global economic slowdown and a recent appreciation of the Taiwan dollar would curb Taiwan's export boom.

Stocks Jump To Record in Hong Kong

Compiled by Our Staff From Dispatches

HONG KONG — Share prices soared Monday to a record high for the second consecutive session, bolstered by a cut in interest rates.

The Hang Seng Index rose 129.57 points, to close at 5,613.78. Volume totaled 4.84 billion Hong Kong dollars ($620 million), up from 3.56 billion dollars on Friday.

Brokers attributed the gains to a one-half percentage point cut in the prime lending rate, to 8 percent, that was effective Monday. They said investors also were reacting favorably to comments on Friday by Chen Yu, a conservative economist, that economic reforms in China would continue.

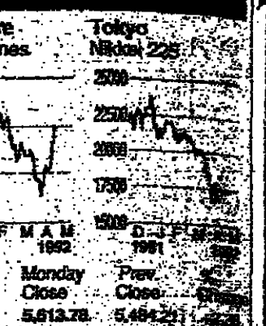
Added to this was exceptionally strong demand for shares in the Cheung Kong group following the announcement on Friday that it was setting up a joint-venture investment company in China.

Cheung Kong (Holdings) Ltd., which is the main investment vehicle of Hong Kong's leading investor, Li Ka-shing, rose 1.20 dollars, to 24.60 dollars, on 17.4 million shares traded.

Institutional buying was heavy, traders said. "European fund managers bought heavily in the afternoon, and that covered all local profit-taking that emerged," said a broker at a Southeast Asian securities company.

The Hang Seng Index has climbed 18.6 percent since April 9 and 30.6 percent since the beginning of the year. Moves by the leadership to open China's economy further to market forces and to foreign investors have bolstered confidence about the prospects for Hong Kong companies. *(AP, Bloomberg, Reuters)*

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	5,613.78	5,484.21	+2.36
Singapore	Straits Times	1,498.97	1,486.56	+0.83
Sydney	All Ordinaries	1,664.40	1,665.20	-0.05
Tokyo	Nikkei 225	Closed	17,303.59	
Kuala Lumpur	Composite	597.47	591.88	+0.94
Bangkok	SET	760.96	760.97	-0.00
Seoul	Composite Stock	620.33	614.95	+0.87
Taipei	Weighted Price	4,539.47	4,532.53	+0.15
Manila	Composite	1,245.83	1,239.02	+0.55
Jakarta	Stock Index	280.04	277.91	+0.77
New Zealand	NZSE-40	1,467.54	1,460.60	+0.48
Bombay	National Index	Closed	1,705.29	

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- **Lion Nathan Ltd.** of New Zealand agreed to take full control of **National Brewing Holdings**, formerly **Bond Brewing**; Lion will pay **Australian Consolidated Investments Ltd.** 475 million Australian dollars ($359 million) in securities plus half of National Brewings' earnings this year.
- **Email Ltd.**, a maker of electrical consumer goods, said it had agreed to set up a joint venture with **Westinghouse Electric Corp.** to make and market circuit breakers in Southeast Asia.
- **North Korea** estimates it must spend $4.2 billion to improve infrastructure for a planned special economic zone in its far north, Japanese newspapers said, quoting government officials.
- **Public Bank Ltd.** of Malaysia will open a joint venture bank in Phnom Penh later this month, a bank official said; Public Bank will hold 90 percent of the equity, with the rest held by National Bank of Cambodia.
- **Japan's** Ministry of International Trade and Industry and **Saudi Arabia** are to begin developing satellite-related technology to locate oil and other natural resources, a newspaper said, quoting a ministry official. *Reuters, AP, AFP*

Tug-of-War for Central Asia

Compiled by Our Staff From Dispatches

HONG KONG — East or West? The question is where the former Soviet republics of Central Asia fit and the answer will have a crucial impact on economic development in the region after seven decades of central planning dominated by Moscow.

The six republics, with a combined population of 50 million, are attracted by European aid being offered to the former Soviet Union but are at the same time impressed by rapid economic growth in many Asian countries. The republics also are being tempted by Turkey and Iran, which are jostling for influence over the mainly Muslim region.

Managers of the Asian Development Bank are meeting with financial officials from Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan during the three-day meeting to discuss their needs. Political unrest has prevented Tajikistan from accepting the ADB's invitation to attend as an observer.

The six republics qualify for membership of the European Bank for Reconstruction and Development, a multilateral agency formed in London last year to coordinate aid to Eastern Europe and the former Soviet Union. But Russia is so far the only republic to commit itself to joining the bank.

The republics face major problems. Little is known about their economies and many of the observers attending the three-day ADB conference speak no English, the language of international banking.

Miklos Nemeth, the EBRD vice president who toured the Central Asian region in February, said the other republics had until August to make a commitment. The former Hungarian minister said Azerbaijan was the only Central Asian republic to indicate its interest in joining both the EBRD and the ADB.

Mr. Nemeth did not rule out membership in both institutions. "Parallel financing means that taxpayers' money in France and the United States, for example, would go toward two institutions simultaneously," he said.

The ADB treasurer, Tomoo Hayakawa, said the six republics expressed interest in joining the Asian bank following lobbying efforts by Dang Fook Lee, secretary to the ADB board, at last month's EBRD meeting in Budapest.

"We would certainly like to lend to them," said Malcolm Dowling, an ADB economist. "They're in our region, they're adjacent to other of our developing members such as Afghanistan and Pakistan." *(AFP, Reuters, Bloomberg)*

China Plans Law Granting Autonomy to State Firms

Reuters

HONG KONG — China's central government will announce a law aimed at making all state-run enterprises autonomous and market-driven by the year 2000, a Beijing-controlled newspaper said Monday.

Ta Kung Pao, a Hong Kong-based daily, said the law would change the management system of state-owned companies in China to make them responsible for their profits and losses.

The government is determined to separate politics from commerce as well as ownership from management in order to create fair competition among enterprises, it said.

The newspaper said some inefficient state-run companies would be transformed through mergers, acquisitions, auctions and even bankruptcies.

Large and medium-sized companies will be granted autonomy to deal with foreign trade partners, the daily said.

Authorities will also speed up the shareholding system nationwide.

Ex-Soviet Entrepreneurs Get Tips From Chinese

Reuters

BEIJING — China is providing business training for entrepreneurs from the Commonwealth of Independent States, the Xinhua news agency said Monday.

Twenty-five businessmen recently began an eight-day course at Harbin, in Heilongjiang province, that includes lectures on the Chinese economy and reforms.

Seoul Permits Broader Foreign Investment

Reuters

SEOUL — South Korean economic ministers have approved foreign investment in eight additional business fields, beginning in the second half of this year, a Finance Ministry official said Monday.

The new areas include agencies representing overseas businesses, aviation transport-equipment rental, alcoholic-beverage wholesaling and harbor operation. Data-communications networks and pesticides wholesaling will be partially open beginning in the second half and fully open by 1994.

The official said the move was aimed at attracting more foreign investment, especially in high-technology industry, and at deflecting criticism by trading partners that South Korean markets are closed.

Some fields banned to foreigners, including cosmetics wholesaling, wireless telegraph and telephones, vocational-training institutions, book publishing and offset printing, will be partially opened.

Foreigners will be allowed to set up wholly owned companies for construction-related business from 1994 to 1996.

But electric power generation, hospitals and publication of professional periodicals will remain off limits to foreign participation.

CHAOS: *Predicting the Unpredictable in Markets*

(Continued from first finance page)

tive decay or the behavior of electrons in a wire.

Predicting the way the market will move is much more difficult than forecasting the weather, according to Mr. Farmer.

But there is a crucial difference, he added. People expect a high degree of accuracy from weather forecasters, whereas the only thing Prediction Co. has to worry about in the markets is being right more often than wrong.

"The problem is harder, but the standards are lower," Mr. Farmer explained. "In financial markets, the benchmark is very close to being no predictions at all. Therefore, if we can stay ahead of the average, we will be doing very well."

Mr. Farmer and a co-founder of Prediction Co., Norman Packard, became fascinated with chaos theory and predictability when both were pursuing doctorates at the University of California at Santa Cruz in the 1970s.

The two scientists formed the *Dynamical Systems Collective* with some associates and set out to prove that they could predict the fall of a roulette ball with enough accuracy to make a profit.

"Since a roulette wheel is a mechanical system, it obeys Newton's laws," Mr. Farmer explained. "And since you can bet right until *the minute the ball falls off the* track there is a period of time between when the croupier spins the wheel and when the bets are closed in which you can measure initial conditions such as the speed of the ball and its position.

"We made a model for the equations of motion for a ball rolling on a circular track with friction and we used that model to predict where the ball was going to go.

"We couldn't say which number, but we could say roughly which segment of the wheel the ball would fall into, and this gave us an advantage over the house."

Did the collective make money?

"Yes we did," Mr. Farmer replied. "We did not become extremely rich, because we had what in market lingo would be called liquidity problems; namely if you start doing well you get thrown out of the casino.

"There was also the problem of building a concealable computer — including toe switches, signal output-putters and radio transmitters — taking it into a casino and actually using it. This was, as we say in physics, nontrivial."

Of course, that was back when portable computers were the size of suitcases and required heavy battery backs.

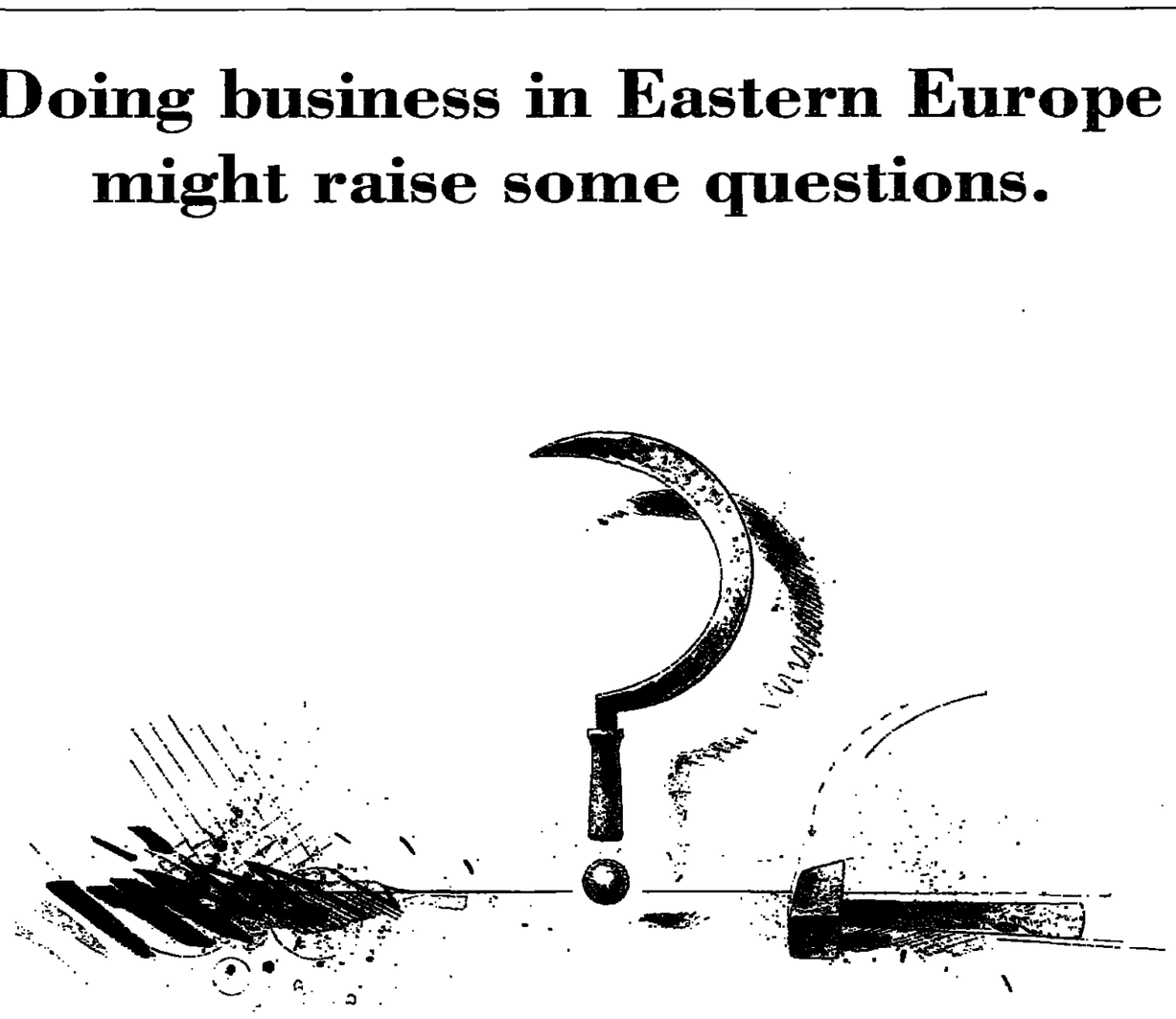
The roulette experience convinced the team that a set of events that seems completely random when viewed in a certain way might not be totally random when viewed from another aspect with extra information thrown in.

Mr. Farmer said existing computer trading systems assume that markets are unfathomably random. They seek not so much to predict events as to get the price right by following linear indices.

What Prediction Co. is doing is "mathematically more sophisticated and rigorous," he said.

Now that they are on the verge of entering the market in a significant way, Mr. Farmer declined to reveal what margin of correct prediction the company expected to make over incorrect ones, nor how far ahead it would attempt to predict other than to say "we are pursuing shorter-term horizons than quarterly."

Doing business in Eastern Europe might raise some questions.



If that's the question we might have the right answers.

As Eastern Europe changes rapidly, there are undoubtedly new business opportunities to be exploited. But the question which arises, is whether prudence might be more appropriate than enterprise.

For a satisfactory answer you need a reliable business partner who feels at home all over Europe, speaks its languages and knows its ways. A leading bank like ABN AMRO Bank which has blazed the trail, opening new branches in many East European countries and which has made a firm commitment to persevering through.

With this headstart, we can guide you through unfamiliar economies and jurisdictions, pointing out the pitfalls, setting you on a profitable course. The way we do it is plying you with critical questions. And as a reliable guide, we never pretend to have the answer when we don't.

In any event, you benefit from our solid financial foundation of US$ 242.7 billion in assets and US$ 9 billion in shareholders' equity, which makes us one of the world's top twenty banks.

But just as significant is the fact that you also benefit from a business partner who knows that the right questions are as important as the right answers.

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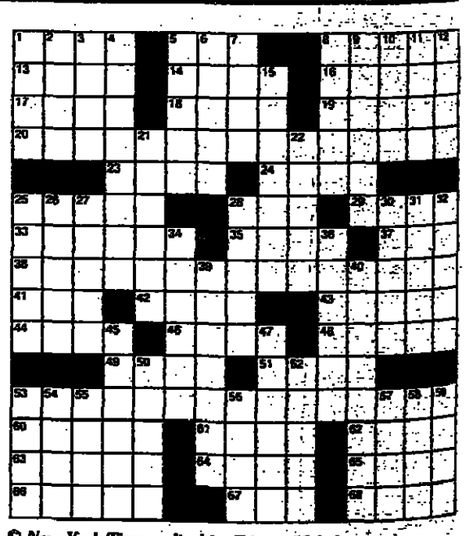
ACROSS

1 Wire nail
5 WNW opposite
8 Postpone action
13 Tops
14 High-flying org.?
16 "—— of star-cross'd lovers": Shak.
17 Sail's corner
18 "The Good Earth" character
19 Court costumes
20 Quip: Part I
23 Orsk's river
24 Kind of road or bird
25 Item lost by Arthur Sullivan?
28 Douglas or noble
29 Designer Cassini
33 Contour controller
35 Actor Guinness
37 "—— Be Seeing You"
38 Quip: Part II
41 City south of Seoul
42 Forage fields
43 The olé's are not for them
44 "—— This a Lovely Day ...?": Berlin
46 Fret
48 Oodles
49 Solo for Sutherland
51 Crosswordese case
53 End of the quip
60 Seabees' motto
61 Butterfingers' cry
62 Nutmeg's coat
63 Ward off
64 Absolute
65 Fam. tree branch
66 "The Bells of St. ——"
67 Author —— Passos
68 Lock name

DOWN

1 One of the three B's
2 Part
3 Freshly
4 Actress Colleen
5 Alone anagram
6 West Coast shrub
7 Biblical twin
8 Ankles
9 Artemis's brother
10 Spongy cake
11 Prevaricates
12 Formerly, once
15 With wrath
21 Trying time
22 Seraglio
25 Twice CLI
26 Garden tenders
27 Senator Hatch
28 Bogus
30 Liquid measure, in London
31 Bender at the bar
32 Actress Sharon
34 Fits with
36 Misbehaves
39 Swimmer
40 Lone
45 Meretricious
47 "—— more, my lady"
50 Grubs
52 Pachyderm's pride
53 Swindler's ploy
54 Scoria
55 Lulu
58 Wimbledon champ, 1956-57
57 Kind of code
59 "... let's —— all the lawyers": Shak.
59 Part of a threat



© New York Times, edited by Eugene Maleska

Solution to Puzzle of May 4

S	A	L	E		P	A	L	S		D	R	O	S	S
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A	L	O	S	S		T	R	E	E		T	I	E	R
M	E	S	T	A		S	E	E	R		E	E	L	S

Balance sheet total: $242.7 billion

Strong enough for the insurance

AMEX

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s). b — annual rate of dividend plus stock dividend. c — liquidating dividend. cld — called. d — new yearly low. e — dividend declared or paid in preceding 12 months. g — dividend in Canadian funds, subject to 15% non-residence tax. i — dividend declared after split-up or stock dividend. j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k — dividend declared or paid this year, an accumulative issue with dividends in arrears. n — new issue in the past 52 weeks. The high-low range begins with the start of trading. nd — next day delivery. P/E — price-earnings ratio. r — dividend declared or paid in preceding 12 months, plus stock dividend. s — stock split. Dividend begins with date of split. sls — sales. t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u — new yearly high. v — trading halted. vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd — when distributed. wi — when issued. ww — with warrants. x — ex-dividend or ex-rights. xdis — ex-distribution. xw — without warrants. y — ex-dividend and sales in full. yld — yield. z — sales in full.

GAN IN 1991

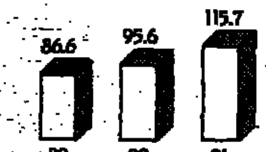
FFr 2.3m net income
9% dividend increase

The Board of Directors met on 27th April 1992, with Mr François HEILBRONNER in the chair, to approve the 1991 accounts for submission to the Annual Meeting on 19 June.

Balance sheet total stands at FFr 625 billion

(in billions of French francs)	1988	1989	1990	1991
▪ Total balance sheet	87.5	539.4	595.2	624.9
▪ Group share of shareholders' funds (after appropriation)	9.7	13.7	17.4	21.7
▪ Income from operations	30.9	86.6	95.6	115.7
▪ Net profit (group share)	1.95	2.47	2.36	2.32

Income from operations (in billions of French francs)



All sectors of GAN's business increased substantially in 1991. Consolidated operating income, which covers the whole of the Group's activities - insurance, banking and financial - *amounted to FFr 116 billion, an* increase of 21%.

Shareholders' equity (after appropriations) rose 25% to FFr 21.7 billion, reflecting the Group's increasing financial strength.

Net income was FFr 2,321 million against FFr 2,357 million in 1990.

Strong growth in the insurance sector (+18.5%)

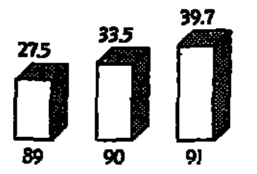
(in billions of French francs)	1989	1990	1991
▪ Premium income	27.5	33.5	39.7
% rise	*+16.8*	*+22.1*	*+18.5*
▪ Technical reserves	86.6	105.9	127.1
% of premium income	*315*	*315*	*320*
▪ Insurance activities contribution to consolidated net income	1.8	1.9	1.5

The favourable trend in premium income during 1991 (+18.5% on a comparable basis) was due to strong growth in all French insurance sectors: GAN Vie (+21.9%), GAN Incendie Accidents (+16.7%), GAN Capitalisation (+22.3%), SOCAPI (+37.2%). The Group increased its market share in all insurance sectors.

The Group's Vie et Capitalisation division accounted for 60% of gross premium income. The increase in motor insurance (more than 100,000 policies) was accompanied by an improved portfolio structure: more than half the policyholders now attract a 50% no-claims bonus.

Net income of the French insurance companies declined on an annual basis. Unlike 1990, GAN SA, the holding company for the insurance companies, did not realize any property capital gains.

Premium income - GAN (in billions of French francs)

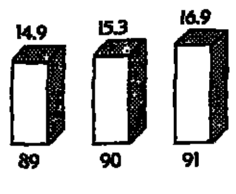


The results of GAN Incendie Accidents also suffered, in line with market trends, by increasing thefts, increasing costs of vehicle repairs and higher industrial accident claims. The Group continues to adhere to a conservative approach in providing for its technical reserves; appropriations to reserves increased at a faster rate than premium income. *In Assurance Vie et Capitalisation*, net income was maintained with a high level of profitability. As regards the insurance companies abroad, the financial positions were "cleaned up" despite unfavourable market conditions, particularly in Great Britain, reducing losses by half. With the exception of Great Britain, GAN's overseas activities produced a break-even result.

A significant turnaround in net banking income (+22.1%)

(in billions of French francs)	1989	1990	1991
▪ Net banking income -CIC	14.9	15.3	16.9
% increase	*+10.2*	*+4.2*	*+10.6*
▪ *Gross operating income - CIC*	4.1	4.2	5.2
% increase	*+33.5*	*+8.2*	*+22.1*
▪ Contribution from banking and financial activities to consolidated net income	0.7	0.5	0.8

Net banking income – CIC (in billions of French francs)



The CIC Group had a satisfactory year in 1991 with net banking income increasing 10.6% on an annual basis (+6.8% on a comparable basis).

Strict efforts were made to control overheads; their rise was limited to 2.8% (on a comparable basis) and staff numbers decreased by almost 5%.

The Group therefore managed to improve its gross operating income for 1991 to FFr 5,162 million, an increase of 22.1%, +16.4% on a comparable basis.

The improvement in operating conditions allowed the CIC Group to announce net income of *FFr 714 million*, a level similar to last year's figure, but without realising a large amount of property capital gains as in 1990.

The Board of Directors intends to recommend payment of a net dividend per share of FFr 50.30, a rise of 9.3% plus a tax credit of FFr 25.15.

Finally the Annual General Meeting will be asked to renew certain financial resolutions, and to empower the Board to implement a rights issue at an appropriate moment to enhance liquidity.

GROUPE gan

Europe's largest banking and insurance Group

SAFRA REPUBLIC HOLDINGS S.A.
LUXEMBOURG

NOTICE IS HEREBY GIVEN by the Board of Directors of the Company that the Annual General Meeting of Shareholders of SAFRA REPUBLIC HOLDINGS S.A. ("SRH") will be held at the Hôtel Royal, 12, Boulevard Royal, Luxembourg,

on May 13, 1992 at 11.00 a.m.

for the purpose of considering and voting on the following matters:

1. Chairman's Statement.
2. Statutory Auditors' Report.
3. Approval of the parent company only unconsolidated financial statements for the year ended December 31, 1991.
4. Discharge of the Directors and of the Statutory Auditors concerning their duties relative to the year ended December 31, 1991.
5. Approval of the proposed appropriations of US$ 3,300,000 to the legal reserve and of US$ 1,377,922 to the reserve for treasury shares, distribution of a dividend of US$ 2.00 per common share and the carrying forward of the balance of the profit.

6a. Election of the Board of Directors and of the Statutory Auditors for a new one year term. All the Directors are eligible and stand for re-election.

6b. Election of Ambassador Javier Perez de Cuellar as a new member of the Board of Directors.

7. Approval of the consolidated financial statements of the Company for the year ended December 31, 1991.
8. Approval of a proposal to increase the 1989 Stock Option and 1989 Stock Award Plans by 150,000 shares.
9. Miscellaneous and individual proposals.

The Board of Directors

NOTES:

Any shareholder whose shares are in bearer form and who wishes to attend the Annual General Meeting must produce a depositary receipt or present his share certificates to gain admission.

A shareholder wishing to be represented at the meeting must lodge a proxy, duly completed, together with a depositary receipt at the registered offices of SRH at 32, Boulevard Royal, Luxembourg, not later than May 11, 1992 at 5 p.m. The shareholder may obtain the depositary receipt and if required, the form of proxy, from any of the banks listed below by lodging the share certificates at their offices or by arranging for the bank by whom his certificates are held to notify any of the banks listed that shares are so held.

Any shareholder whose shares are registered will receive a notice of the Annual General Meeting at his address on the register, together with a form of proxy for use at the meeting. The proxy should be lodged at SRH's offices in accordance with the above instructions.

The remittance of the form of proxy will not preclude shareholders from attending in person and voting at the meeting if they so desire.

All the resolutions covered by the Agenda may be passed by a simple majority of all shares represented at the meeting.

Shareholders may obtain copies of the documentation listed hereunder:

1. This notice

2. The 1991 Annual Report including the Chairman's Statement, the Statutory Auditors' Report, the consolidated and parent company only unconsolidated financial statements

at the Company's registered office and from any of the banks at the following addresses:

* Union Bank of Switzerland, Bahnhofstrasse 45, 8021 Zurich
* Union de Banques Suisses (Luxembourg) S.A., 36-38 Grand-Rue, 2011 Luxembourg
* Republic National Bank of New York, 30 Monument Street, London EC3R 8NB
* Republic National Bank of New York (Suisse) S.A., 2, place du Lac, 1204 Geneva
Republic National Bank of New York (Suisse) S.A., Via Canova 1, 6900 Lugano
Republic National Bank of New York (Suisse) S.A., Stockerstrasse 37, 8002 Zurich
* Republic National Bank of New York (Luxembourg) S.A., 32, Boulevard Royal, 2449 Luxembourg
Republic National Bank of New York (France), 20, place Vendôme, 75001 Paris
Republic National Bank of New York (France), 2, avenue Montaigne, 75008 Paris
Republic National Bank of New York (France), Sporting d'Hiver, 2, avenue Princesse Alice, 98006 Monte Carlo
Republic National Bank of New York (Guernsey) Ltd, Sarnia House, Le Truchot, St. Peter Port, Guernsey, Channel Islands
Republic National Bank of New York (Gibraltar) Ltd, Neptune House, Marina Bay, Gibraltar

* Paying Agent of Safra Republic Holdings S.A.

SPORTS HOCKEY, RACING

Regular-Season Games of NHL May Be Played in Europe Soon

The Associated Press

PRAGUE — The National Hockey League may stage its first regular-season games outside North America as early as next season, according to the league's president, John Ziegler.

"One of the ideas we're working on is to bring two teams to Sweden," Ziegler said Sunday.

"They could play Swedish clubs in exhibitions and then our teams could start the NHL regular season with four games against each other in Sweden," he said.

Several NHL teams, including the New York Rangers, Washington Capitals, Montreal Canadiens and Minnesota North Stars, have played preseason tournaments and exhibitions in Sweden. But there have been no regular-season games.

Part of the new bargaining agreement with NHL players calls for an 84-game season with 24 games scheduled outside NHL arenas.

Ziegler, who attended Sunday's Canada-Czechoslovakia game at the World Hockey Championships, said it has not been decided which NHL teams would play the first regular-season games overseas.

"But we could certainly like the NHL team with Swedish and Finnish players on their rosters for those games," Ziegler said.

He said that because of the new agreement, settled only two weeks ago, that there had been no planning yet for the 1992-93 season.

Alan Eagleson, a Hockey Canada representative and former president of the NHL Players Association, said there are four excellent sites for NHL regular-season games in Sweden and Finland.

"We'd like to schedule the games in Stockholm and Goteborg. Helsinki and Tampere [Finland] are other alternatives," Eagleson said.

Stockholm, with the 14,000-seat Globe, Europe's top indoor arena, hosted the 1989 World Hockey Championships. The National Basketball Association is thinking of using the arena as a future site of its McDonald's preseason tournament, which pits one NBA team against three European teams.

Goteborg's main indoor arena is the 13,000-seat Scandinavium, home for a Swedish Hockey League team and site of three Davis Cup tennis finals in the 1980s.

Helsinki and Tampere both have hosted the World Hockey Championships, and Tampere was the host of the Women's World Hockey Championships last month.

The NHL's plans to expand in Europe with regular-season games — Eagleson also mentioned Dusseldorf, Germany, as a future site — could hurt the International Ice Hockey Federation's plans to set up a European League.

Guther Sabetzka, president of hockey's world governing body, presented plans for 12-team European League last September during the IIHF congress in Paris.

But Sweden and Finland, which dominate European hockey, criticized the plan.

"It would not only hurt our own national league badly but also affect the national teams schedule, said Richard Fagerlund, president of the Swedish Hockey Federation.

Sweden, despite its fifth-place in the Olympics and poor performance so far in the World Championships, where the team has a record 16 rookies, is still Europe's No. 1 hockey nation.

Sweden won last year's World Championships, made the Canada Cup semifinals in September and the Swedish Hockey League is the top domestic league in Europe. Djurgarden of Stockholm captured the European Cup the last to seasons.

It's Visitors' Night As Division Finals Open With Upsets

The Associated Press

Maybe it's time to see if there's an away-from-home-ice advantage in the Stanley Cup playoffs?

Playing at home was certainly no advantage in the opening games of the National Hockey League's four division finals. All the home teams — each of which won their division in the regular season — lost Game 1.

"This is probably a good time to be on the road," the New York Rangers' coach, Roger Neilson, said after the Pittsburgh Penguins won the opener of the Patrick Division final, 4-2, in Madison Square Garden Sunday night.

Neilson's sentiments could have been echoed by Vancouver's Pat Quinn after his team lost, 4-3, in

STANLEY CUP PLAYOFFS

overtime to Edmonton in the Smythe Division opener, or by Montreal's Pat Burns after a 6-4 loss to Boston at The Forum in Game 1 of the Adams Division finals.

Chicago started the visitors' sweep Saturday by taking the opener of the Norris Division final, 2-1, in Detroit. That series and the Edmonton-Vancouver series were to resume Monday night; the others Tuesday.

PATRICK DIVISION

Penguins 4, Rangers 2: The Penguins won without much help from their big gun, Mario Lemieux, who had two assists. Instead, a 35-save effort by Tom Barrasso, who was backed by a solid defense that kept the Rangers away from the net, made the difference.

Barrasso stopped all 15 shots he faced in the first period as the Penguins, despite being outplayed, took a 2-0 lead on goals by Troy Loney and Larry Murphy. Kevin Stevens made it 3-0 at the two-minute mark of the second period.

Kris King and Tony Amonte cut the deficit to one goal before Ron Francis scored on a backhander at 12:08. Barrasso and the Penguins' checkers did the rest.

ADAMS DIVISION

Bruins 6, Canadiens 4: The Bruins capitalized on a rare off-night by Montreal goaltender Patrick Roy, who was booed after allowing several soft goals.

The two-time Vezina Trophy winner was beaten on Boston's first shot, by defenseman Gord Hynes, and allowed five goals on the first 18 shots he faced.

The Canadiens got within 5-4 on Mike McPhee's goal at 5:40 of the third period, but Ray Bourque put a wrist shot past Roy with 1:14 left to ensure victory.

SMYTHE DIVISION

Oilers 4, Canucks 3: Joe Murphy's goal at 8:36 of overtime gave the Oilers their series-opening victory.

Murphy picked off a bad pass by defenseman Dave Babych in neutral ice, raced into the Canucks' zone and beat goaltender Kirk McLean from between the circles to cap a game-long comeback by Edmonton, which trailed by 2-0 and 3-2.

Murphy said the key man for the Oilers was goalie Bill Ranford, whose 40-save performance included an overtime stop on Trevor Linden from close range.

Pavel Bure's goal with 7:15 left in regulation had given the Canucks a 3-2 lead, but Vincent Damphousse scored with 5:05 left to force the overtime.

So What Now Awaits Arazi, His Premature 'Retirement?'

By Andrew Beyer
Washington Post Service

LOUISVILLE, Kentucky — The sight of Lil E. Tee slogging 1¼ miles (2.10 kilometers) in 2:04 to win the Kentucky Derby hardly inspired a swelling of national pride. But racing in the United States has one virtue is taken for granted: It's highly competitive.

Trainers and owners are expected to subject their horses to many challenges, and those who duck them are held in contempt; the horses themselves must be tough enough to cope with the demands placed on them.

Europeans, by contrast, seem obsessed with avoiding defeat.

These differences will surely be underscored by the case of Arazi, who ran the first bad race of his life in finishing eighth at Churchill Downs.

Vantage Point

Had he been trained in this country, he'd follow the philosophy of that quintessential American, Frank Sinatra: When you fall flat on your face, you pick yourself up and get back in the race. Arazi would go to Pimlico for the Preakness, where he would be favored to win and, I believe, would annihilate his rivals in the fashion that was expected of him Saturday.

But such a course would be almost unimaginable for a French-trained horse. Arazi went home stigmatized by his Derby defeat. "He didn't stay," the pundits from the foreign press declared, meaning he couldn't go 1¼ miles, meaning he is genetically incapable of winning at classic distances. Trying the Preakness would be futile. The 1½-mile Epsom Derby is out of the question. A return to the continent that was the site of this humiliation is improbable, too.

So what's left for Arazi? He may be pointed for the 1¼-mile Grand Prix de Paris on June 28, though a respected British journalist said, "I'll lay even money that we never see him on a race track again."

And, following a familiar pattern, trainer François Boutin blamed everybody in sight. He criticized jockey Pat Valenzuela. He implicitly criticized one of Arazi's two owners, Allen E. Paulson, who had recommended knee surgery on the colt during the winter and insisted on this venture to Churchill Downs. And, of course, he didn't like all the disconcerting hubbub at the Derby.

But Arazi's defeat was almost certainly caused by the one thing Boutin wouldn't second-guess: his training.

If an American trainer took a horse to, say, the Epsom Derby, and declared that he was going to train the horse just as he would at home, we'd think he was a moron. But when Boutin tried to defy all American precedent and prepare Arazi in typically French style, with a single, untaxing prep race, most folks' doubts were quelled by respect for the Europeans' habitual success in races here.

BUT THE methods of preparation for the Kentucky Derby bear little resemblance to any other race, here or abroad, because it is uniquely stressful for a horse.

Three-year-olds are asked to go a distance they have never raced before. The Derby attracts the biggest field in American racing and, as such, it is often a rough-and-tumble affair. Moreover, the Derby experience must be psychologically stressful for horses who have never trained in a carnival atmosphere or walked onto a track amidst the roar of 130,000 people. That's why great American horsemen have always trained and raced their 3-year-olds hard before the Derby: to imbue them with the necessary physical and mental toughness. We may now surmise that daily canters in the tranquillity of Chantilly don't accomplish the same purpose.

Even if Valenzuela did take Arazi too far back and then moved too abruptly, and even if the colt's optimal distance is not 1¼ miles, I cannot believe that a more fit, more seasoned Arazi would not have won here.

He had accelerated powerfully and swooped past 16 horses in one sustained run before he ran out of gas. Last year, on Breeders' Cup day at Churchill Downs, Valenzuela had him under a hammerlock as he was winning at 1 1/16 miles. Saturday he was dead at the one-mile mark. I cannot believe that the awesome running machine we saw last fall is incapable of running a final quarter-mile in 26 2/5 seconds and outfinishing the likes of Lil E. Tee.

IF ARAZI wasn't fit enough for the Derby, that race surely would have got him fit for the Preakness. If Paulson, his American co-owner, had control of the colt's destiny, he would probably give him a second chance. But Paulson sold a half-interest in the champion to Sheik Mohammed ibn Rashid al Maktoum of Dubai, and the sheik's racing manager, Anthony Stroud, is the very embodiment of the European avoid-defeat-at-any-cost philosophy. Sheik Maktoum's champions have been known to be whisked off to stud after careers that last five races, and so the handwriting is on the wall for Arazi.

It will be unfair to him, and to the sport, if he is coddled or prematurely retired, because this is a truly great racehorse.

There was nothing illusory about his magnificent performances as a 2-year-old, and he might be capable of even more historic achievements at 3. He deserves a chance for self-redemption. Unfortunately, he is held in the thrall of European conservatism.

Top 5 in Kentucky Derby Going to Run in Preakness

Washington Post Service

LOUISVILLE, Kentucky — Winner Lil E. Tee and the four other top finishers in the Kentucky Derby have been committed to the Preakness Stakes, the second race of the Triple Crown series.

The top five Derby finishers — Lil E. Tee, Casual Lies, Dance Floor, Conte Di Savoya and Pine Bluff — were pledged Monday along with 10th-place Technology and 16th-place Pistols and Roses. Alydeed, Speightstown, Agincourt and Dash for Dotty also are expected, and six others are possible; A.P. Indy, D.J. Cat, Treekster, Careful Gesture and the Wayne Lukas duo of Hickman Creek and Big Sur.

The May 16 Preakness could be next for A.P. Indy, trainer Neil Drysdale said, but the June 6 Belmont Stakes is more likely, with a decision expected Wednesday. Drysdale said the Santa Anita Derby winner's bruised foot, which forced his sudden withdrawal from the Derby, has scarcely improved.

SIDELINES

Open Opens on Upset by Italy's Ferrando

ROME (AP) — Linda Ferrando delighted hometown fans Monday by opening the Italian Open with a 6-1, 6-2 upset of 11th seeded Laura Gildemeister of Peru.

Wild card Natalia Baudone, ranked 135th, eliminated Canada's Patricia Hy, 6-2, 6-4; Raffaella Reggi-Concato, the 1985 tournament winner, ousted Florencia Labat of Argentina, 6-2, 6-2, and a third Italian, Laura Garrone, beat Austrian qualifier Heidi Sprung, 6-2, 6-4.

The top eight seeds, including Monica Seles, defending champion Gabriela Sabatini and Jennifer Capriati, all had byes into the second round.

English Team Offers Reward After Fires

WOLVERHAMPTON, England (Reuters) — The English soccer team Wolverhampton Wanderers offered a £10,000 ($18,000) reward Monday for information on those who have set two fires at the team's home ground.

The first fire, set Saturday, caused £100,000 damage to a stand while 32 shotgun cartridges were buried in the playing field. Early Monday, a brick was thrown through the window of the club secretary's office and a fire set inside.

• French striker Eric Cantona has agreed to a three-year contract with English first division champion Leeds United, club officials said Monday. They said Cantona will sign before returning to France for a holiday. *(Reuters)*

• The Confederation of African Football said Sunday that South Africa will be allowed to play in the 1994 Africa Cup of Nations tournament. *(AP)*

For the Record

Tom Watt was fired Monday as coach of the NHL Toronto Maple Leafs, but will stay on as director of player development. No new coach was named. *(AP)*

Fred Funk, a former college golf coach, shot a final-round 2-under-par 70 Sunday to win the Houston Open and become the golf tournament's third straight first-time winner, by two strokes over Kirk Triplett. *(AP)*

A second horse racing track is planned in the southern Chinese city of Guangzhou following the success of the first official horse races at outlying Huangcun, even though authorities have recently cracked down on gambling, the semiofficial Hong Kong China News Service said Monday. *(AFP)*

Quotable

• Nick Faldo, on Masters champion Fred Couples: "He's so hot he must be wearing asbestos shorts."

CHESS

By Robert Byrne

AT the American Open in Los Angeles at Thanksgiving, Joel Benjamin was the winner against the Czechoslovak grandmaster Lubomir Ftacnik.

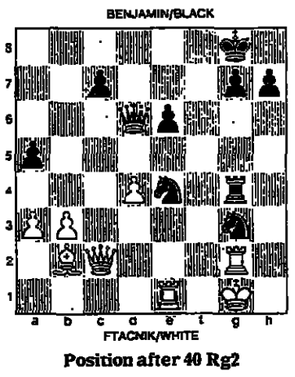
In blocking with 4 Nbd2, but perhaps against Bogo-Indian Defense, White counts on obtaining the bishop-pair after 4...O-O 5 a3 Bd2 6 Qd2, but this costs time and it soon allowed Benjamin to invade on the light squares with 8...Ne4.

Ftacnik prepared to drive out the intruding knight with 12 Nd2, but perhaps after 12...Bd7!, he should have chosen the low-key 13 f3 Nd2 14 Qd2 and planned on a slow maneuvering game. In the method he selected, 16 f4 gave the important e4 square back to Black.

Benjamin boldly reinforced it with 16...d5!, offering a gambit that would yield Black a promising attacking position after 17 cd Nd5 18 Bd5 ed 19 Qc7 Bb5.

Benjamin's 23...Nf6!? was a thematic pawn sacrifice for the sake of achieving iron control of e4 after 24 Bc6 bc 25 Nc6 Nde4. After 26 Kg2 Nh5, both players said after the game, White should have played 27 Ne7 Kh8 28 Rh3 and the outcome would have been unclear after 28...c6.

In the Dec. 23 issue of Inside Chess, Ftacnik castigates himself for playing the immediate 27 Rh3 and underestimating Benjamin's nice sacrifice of rook for knight with 27...Rc6!? 28 Qc6. But it need not have worked out badly: Benjamin said during a recent conversation that after 28...Qg6 29 Kh2 Qg4! 30 Re1 Nhg3, Ftacnik had misanalyzed the consequences of 31 Rg1! Qe2 32 Rg2 Nf1 33 Kg1 Qe1 in his annotations, overlooking the powerful defense, 34 Qc1! Benjamin further pointed out that he would therefore have had to take a draw with 31...Nf1! 32 Rf1 Qe2 33 Kg1 Qg4 34 Kh2 Qe2, forcing a repetition of position.



Position after 40 Rg2

After 31 Qc2?, Benjamin bored in with 31...Qf4 32 e3 Qd6 33 Kg1 f4! 34 ef Rf4. Ftacnik mentions that he could have tried 35 Qg2 Rf2 36 Rg3 Rg2 37 Rg2 Qf4 38 d5 but that after 38...e5, Black should win.

Benjamin allowed the position to be repeated twice, at moves 38 and 40, in order to gain time on his clock. What prevented Ftacnik from claiming a threefold repetition was that the h4 pawn was still on the board at Move 36.

Benjamin's last move to the time control, 40...Ng5!, was a crusher. On 41 Qd1, there could have followed 41...Nh3 42 Kh2 Ne2! 43 Kh3 (or 43 Kh1 Rg2 44 Kg2 Qg3 45 Kh1 Nf2 mate) Rg3 44 Kh2 Rg2 45 Kg2 Qg3 46 Kf1 Qf3 mate. On 41 Qd3, there could have followed 41...Nh3 42 Kh2 Ne2 43 Kh3 (or 43 Kh1 Rg2 44 Qh3 Nf4 45 Qc3 Qd5 46 Re5 Rg1!) Rg2 44 Kg2 Nf4, winning the queen.

Ftacnik tried 41 Re5, but after 41...Nf3 42 Kf2 Ne5, he could not play 43 Rg3 because of 43 Qf8 Kg2 44 Qf3! winning outright.

Dazed and defeated, Ftacnik wandered into 45...Qf3 mate.

BOGO-INDIAN DEFENSE

White Ftacnik	Black Benjamin	White Ftacnik	Black Benjamin
1 d4	Nf6	23 Rac1	Nf6
2 Nf3	e6	24 Bc6	bc
3 c4	Bb4	25 Nc6	Nde-
4 Nbd2	O-O	26 Kg2	Nh5
5 a3	Bd2	27 Rb3	Rc6
6 Qd2	d6	28 Qc6	Qg8
7 b3	Nbd7	29 Kh2	Qg4
8 Bb2	Ne4	30 Re1	Nhg3
9 Qc2	f5	31 Qc2	Qf4
10 g3	Ndf6	32 e3	Qd6
11 Bg2	Qe8	33 Kg1	f4
12 Nd2	Bd7	34 ef	Rf4
13 Nf1	Qh5	35 Rh2	Rg4
14 f3	Ng5	36 Rg2	Rh4
15 h4	Nf7	37 Rh2	Rg4
16 f4	d5	38 Rg2	Rh4
17 Bf3	Qh6	39 Rh2	Rg4
18 cd	Nd5	40 Rg2	Ng5
19 Nd2	Bc6	41 Re5	Nf3
20 Nc4	a5	42 Kf2	Ne5
21 Kf2	Ra6	43 de	Qf8
22 Ne5	Nd6	44 Ke3	Nf1
		45 Kd3	Qf3 mate

BOOKS

TURTLE MOON

By Alice Hoffman. 255 pages. $21.95. G.P. Putnam's Sons, 200 Madison Avenue, New York, New York 10016.

Reviewed by Michiko Kakutani

THE ingredients of Alice Hoffman's latest novel, "Turtle Moon," are similar to those used in her last novel, "Seventh Heaven" (1990): a single mother with a troubled adolescent son, who arrives in a new town to try to begin a new life.

This time, however, Hoffman does not attempt to turn her characters' stories into a metaphor for societal change. "Turtle Moon" aspires to be little more than a straightforward story, a murder mystery combined with a domestic drama about parents and children, estranged husbands and wives.

The story opens in a small town named Verity, Florida, where "nothing ever happened." The rents are low in Verity and the scenery is pretty, and in recent years the town has become a magnet for divorced women and their children. Among them is Lucy Rosen, a pretty exile from Long Island who's at a complete loss as to what to do about her son, a 12-year-old hellion named Keith, whose favorite pastimes are shoplifting and cutting school.

Keith does not respond to discipline or heart-to-heart talks; he is so mean, Hoffman writes, that he doesn't even bleed when he's hurt. Although Lucy is too proud, too possessive to let Keith return to Great Neck to live with his father, she has just about despaired of connecting to her unhappy, unruly son.

This May, their worst fears are fulfilled: early one morning the police receive an anonymous phone call and discover the body of a woman, dead in her apartment. Her name is Karen Wright; and her year-old daughter is missing. Also missing is Lucy's son, Keith.

Lucy knows that Keith would never kill anyone, that he would never kidnap a baby, but she also knows that she must try to find him — and the real murderer — before the police can take him in for questioning. Her ally and confidant in the search is one Julian Cash, an ugly brute of a man, who trains the search dogs used by the police to find missing persons.

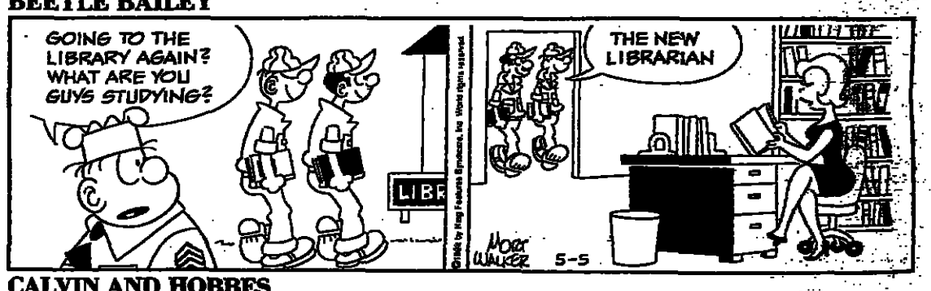
Lucy's search for the murderer takes her — and Julian — back to her former home in Great Neck, where she will uncover her dead neighbor's real identity. She will also re-encounter her former husband and confront her past life with all its mistakes, omissions and regrets. Somewhere along the way, she will find herself falling for Julian, a development both of them greet with a mixture of passion and confusion.

These developments — combined with a series of cute, supernatural events that are never organically integrated into the overall narrative — eventually undermine the novel's emotional power: the reader finishes the book feeling vaguely manipulated, and hence detached from the characters' fates. The result is a book that's entertaining enough to read, but lacking in significant emotional afterlife.

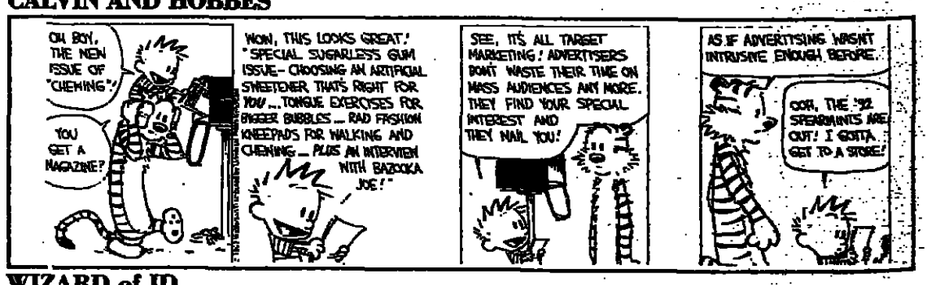
Michiko Kakutani is on the staff of The New York Times.

PEANUTS

BEETLE BAILEY

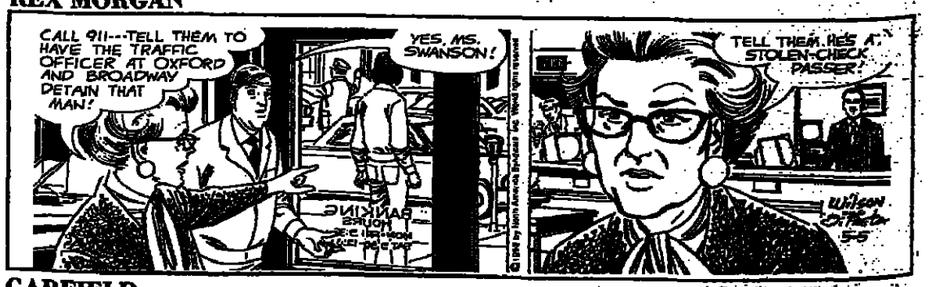


CALVIN AND HOBBES

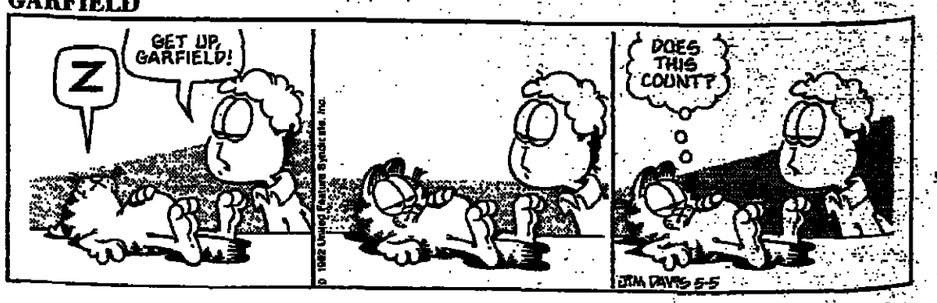


WIZARD of ID

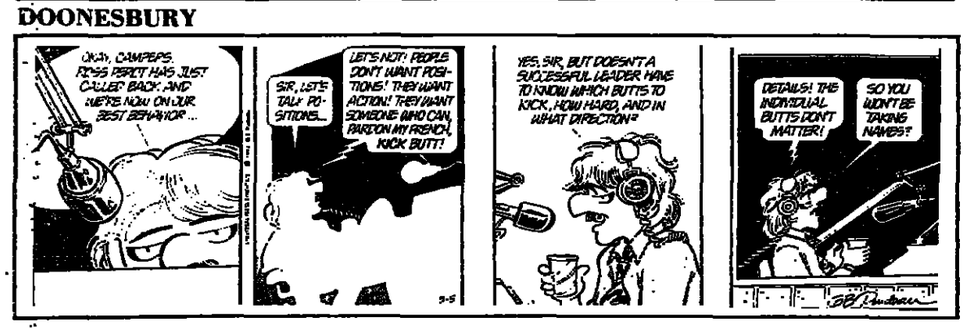
REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

INSIF

DATUC

BLIMEN

CANTIG

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( ) ( ) ( ) ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: PIOUS DRAFT SPONGE BARROW
Answer: "May I have a baseball glove for my son?"— "WE DON'T SWAP"

SPORTS NBA PLAYOFFS

Lakers Join Pistons on Vacation, Clippers Win to Play On

The Associated Press

The Los Angeles Lakers have joined the Detroit Pistons, two teams synonymous with playoff success, in starting their summer vacations. The Los Angles Clippers, on the other hand, are still playing.

The Lakers and Pistons had their seasons ended Sunday while the Clippers, making their first playoff appearance since 1976, pushed their opening-round series to a fifth and decisive game on Monday night in Salt Lake City by outlasting the Utah Jazz, 115-107. Sunday's game had been postponed from Thursday and moved from the Los Angeles Sports Arena to the Anaheim Convention Center because of the civil unrest in Los Angeles.

"I thought there were a few guys on our team who just didn't want us to lose," said the Clippers' coach, Larry Brown. "We didn't have great practices" since the rioting began Wednesday, "but I noticed on the bus coming here that we were ready to play."

Detroit, which won the NBA title in 1989 and 1990, and failed to make it past the first round for the first time since 1986, was ousted as the New York Knicks won, 94-87, behind Patrick Ewing's 31 points and 19 rebounds in Game 5 in Madison Square Garden.

New York begins its Eastern Conference semifinal series in Chicago on Tuesday. The other Eastern semifinal series was to resume Monday night, with Cleveland playing host to Boston after routing the Celtics in the opener on Saturday.

The Lakers, who won five NBA titles in the 1980s and were the losing finalists last spring, were routed by Portland in a game played in Las Vegas because of the unrest in Los Angeles.

"It's been disaster after disaster," veteran guard Byron Scott said of the Lakers' misfortunes this season, which started with the loss of Magic Johnson, who retired after testing positive for the AIDS-causing virus HIV and ended with the shifting of a playoff game.

The Trail Blazers advanced to a Western Conference semifinal meeting with Phoenix, beginning Tuesday night in Portland.

Clippers 115, Jazz 107: Though their game was moved 35 miles (56 kilometers south, the Clippers did have the home-court advantage — they were playing on their own floor, which was transported from the Sports Arena.

Danny Manning had 33 points and 10 rebounds as the Clippers tied the series. Only three teams have ever overcome an 0-2 deficit in a best-of-five NBA series.

"We're not going to go away," Manning said. "We're going to go to the Delta Center and play hard. All the pressure is on them. There wasn't supposed to be a Game 5."

The Clippers won by outscoring the Jazz, 11-2, in the final 1:44 of the game. Doc Rivers, who had 11 of his 17 points in the last quarter, made two free throws with 54 seconds to go and got a three-point play with 24 seconds left to extend a one-point lead to six, ensuring victory.

The Clippers won despite an outstanding performance by Utah's Karl Malone, who scored 14 of his career playoff-high 44 points in the fourth quarter and had 11 rebounds.

Trail Blazers 102, Lakers 76: The Lakers, who opened the exhibition season in Paris, closed up shop just off the Las Vegas Strip, forced there by riots that turned much of central Los Angeles into a war zone.

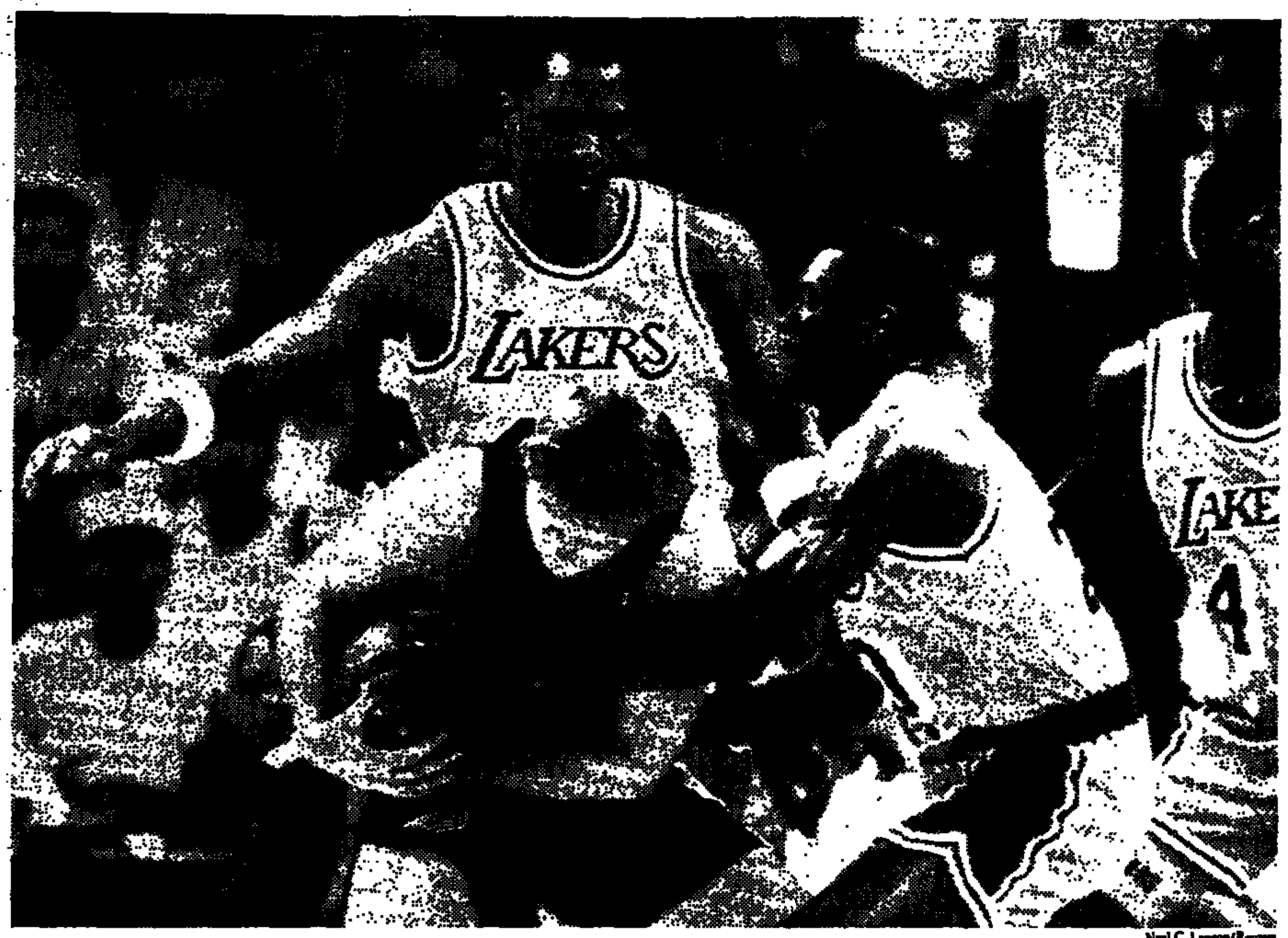
Portland, which lost by 4-2 to Los Angeles in the Western Conference final last year, took control by limiting the Lakers to 33 points in the first half. Clyde Drexler led the Blazers with 26 points, 10 rebounds and seven assists. Reserve guard Danny Ainge added 19 points.

Trail Blazers take command in the second quarter. They began it ahead, 22-18, then pulled steadily away as Ainge had 10 points, with two 3-pointers, four assists and two steals in the quarter.

The Lakers had been 32-2 in first-round games since 1982, and hadn't lost a first-round series since 1981. But playing without Johnson and a number of injured regulars, they won only Game 3, in overtime.

Ainge was impressed by how well the Lakers did this season.

"They turned what has been a nightmare into a pretty successful season," he said.



Neal C. Lauron/Reuters

Elden Campbell, rear, and Terry Teagle tied up the Trail Blazers' Danny Ainge but it was the Lakers who became unraveled in Game 4.

Duncan Goes 5-for-5, Phils Rout Giants

The Associated Press

Mariano Duncan, the National League leader with 10 doubles, didn't hit one this time, but he hit just about everything else.

Duncan went five for five, with a homer, a single and a triple in his first three at-bats, as the Philadelphia Phillies routed the Giants, 12-3, on Sunday in San Francisco.

NATIONAL LEAGUE

"I feel everything is going right for me right now," Duncan said after lifting his batting average to .333. "I'm happy to know I'm playing every day."

John Kruk and Dale Sveum each added three RBIs for the Phillies, who had 15 hits. Kruk had a two-run single in a five-run sixth that gave Philadelphia an 11-1 lead.

Duncan's first homer this season gave the Phillies a 1-0 advantage in the first inning off Trevor Wilson.

Len Dykstra's run-scoring single was the key hit in a three-run third, then Wes Chamberlain's double and Ruben Amaro's run-scoring single chased Wilson in the fourth. The onslaught continued against a Giants' bullpen which had yielded only five earned runs in 44⅓ innings over its previous 14 games.

Duncan tripled and scored on Sveum's single in the fifth, and the Phillies sent 10 batters to the plate for five runs in the sixth off Rod Beck, who hadn't given up a run in eight previous games.

Dykstra and Amaro contributed run-scoring doubles to the big inning, and tempers flared after Dave Hollins was struck by a pitch for the seventh time this season.

When winner Cliff Brantley hit Kevin Bass with his first pitch in the bottom of the sixth, plate umpire Bruce Froemming ejected the starter. Curt Schilling finished.

Astros 1, Pirates 0: Steve Finley homered with two outs in the eighth to beat Pittsburgh in Houston.

Both starters, Doug Drabek and Butch Henry, pitched scoreless ball for seven innings.

Cardinals 7, Padres 1: In San Diego, Bob Tewksbury pitched a six-hitter for his first complete game this year while Felix Jose had three hits and two RBIs, including a run-scoring triple, and Gerald Perry hit two RBI doubles for St. Louis.

• *In earlier games, reports on which appeared in some Monday editions of the International Herald Tribune:*

Mets 7, Braves 0: Eddie Murray hit his 400th homer in the majors and David Cone pitched a five-hitter for his second straight shutout as New York won in Atlanta.

Cone struck out eight and walked, and also singled home two runs in a five-run fifth.

Reds 7, Cubs 1: Bill Doran and Paul O'Neill homered in Cincinnati to help beat Chicago as pitcher Jose Rijo came off the disabled list and went 4⅔ innings, giving up six hits while striking out four.

The Cubs lost for the eighth time in 10 games in a week that included four straight shutouts.

Pistons: The Ending of an Era That — Thankfully — Is Over

By William C. Rhoden
New York Times Service

NEW YORK — Click, although, actually, I began counting the Detroit Pistons out on my personal clock at this time last year after the surly, defeated Pistons walked off the court against the Chicago Bulls without so much as shaking hands.

That particular game, and that entire playoff series, had been marked by cheap shots, mostly from the Pistons, and the sort of mean-spirited play that had come to characterize so-called Bad Boy basketball.

Normally, the underhanded tactics that a team may employ to obtain a particular goal carries little weight with me in terms of an assessment of a game or performance. What's fair is fair. But as the Pistons nurtured their Bad Boy image, there seemed to be something particularly counterproductive about its gangsteresque approach to the game.

Vantage Point

The National Basketball Association playoffs seem to set the tone for summer playground basketball games and the culture surrounding the games. When the Los Angeles Lakers were winning, everyone on the street wanted to rebound and run. Finesse was in.

The Pistons on the other hand, seemed to feed into a gloomier, more sinister, undercurrent of gorilla basketball in which the defining ethic was no blood, no foul. There's nothing wrong with that in theory, except that the Pistons' idea was to at least draw blood.

The Bulls, thankfully, ushered in a new era of finesse. That won't help the New York Knicks this week but, given the climate of the times, with everyone seemingly on a hair-trigger edge, it just seems better not to fuel any concept with Bad or Boy attached to it.

Critics say that what the Pistons play is not basketball. This is not precisely true.

One of the beautiful things about basketball is that it is a fluid, highly intuitive game that can assume the personality of a team or individual players. Basketball can be what you want it to be.

For the last few seasons, the Pistons have molded a hybrid style, with the league's blessings, that is one-third alley ball, one-third rugby and a third of what you and I recognize as traditional basketball.

It's not popular, but it has worked. It took the Bulls three years to finally break through.

SUNDAY, THE Knicks solved what was left of the Bad Boy basketball puzzle, but it took them of three periods to figure it out. Before that, the Knicks, who had spent two weeks getting emotionally psyched for pushes and shoves, had come precariously close to being sucked into the quagmire patrolled by Mark Aguirre, Dennis Rodman, Bill Laimbeer and Isiah Thomas.

Sunday, there were three near-altercations in the first half alone.

Once, early in the half, after John Starks missed a jump shot, I saw a blur of flailing arms and legs. Xavier McDaniel had backed into Thomas, Thomas had pulled him down and the two grappled on the court. Thomas got up hurling expletives, McDaniel hurled them back, and the two went cursing all the way downcourt.

The X-man was waist deep in the Pistons' quagmire before Patrick Ewing came over and pulled him out, reminding X that it was all part of the routine.

At another point, Anthony Mason was nearly dragged in by Aguirre and Rodman. During a jump ball at the Knicks' basket, Rodman and Aguirre stood shoulder to shoulder and refused to move when Mason stepped in to take his rightful spot between them.

Aguirre shoved him away, and for a split second, Mason entertained the notion of asking an official to intercede. He instantly realized what a blunder that would have been and confronted Rodman.

And the Knicks took the series. Now the difficult part begins. After expending so much emotional energy preparing for the Pistons' land-mover style of play, the Knicks must now prepare for Chicago's sleek Ferrari and its heralded driver, Michael Jordan.

THERE WAS optimistic talk from the Knicks after Sunday's game that they would play the Bulls — and Jordan — with the same sort of hard-nosed defensive tactics they had used against Detroit.

Nice thought. Good luck.

Unfortunately, the Knicks won't be able to use Sunday's lesson against Detroit next season; indeed, the Pistons as we have known them, may not exist.

Sometime during the next two weeks, Chuck Daly is expected to announce his resignation as the Pistons' coach. Daly's departure is expected to be the first of many shakeups as the team is reshaped and retooled.

Regardless of what happens this week with the Bulls, the Knicks can take comfort in the fact that they presided over the end of Detroit's reign of terror.

All praises to the end of an error.

Click.

White Sox Have a Ball in Victory Over Rangers

The Associated Press

All Craig Grebeck wanted to do was put the ball in play, but he didn't have to.

Grebeck worked an 0-2 count into a walk with the bases loaded to force in the go-ahead run, and Kenny Rogers then walked Tim Raines as the Chicago White Sox rallied for three runs in the eighth inning Sunday and beat the visiting Texas Rangers, 5-3.

"With an 0-and-2 count, all I wanted to do was put the ball in play," Grebeck said. "The fourth ball wasn't even close."

The Rangers' pitchers had walked 21 batters while winning the two previous games and walked 26 in the last three games.

"The walks caught up to us," said their manager, Bobby Valentine.

Texas took a 3-2 lead in the top of the eighth when Jeff Huson doubled and scored on Ruben Sierra's single. Robin Ventura led off the bottom of the inning with his third hit, a double, and scored on Frank Thomas's single. George Bell singled, Rogers relieved and pinch-hitter Mike Huff walked two outs later, loading the bases.

AMERICAN LEAGUE

After Grebeck walked, Raines also walked on a 3-2 pitch before Steve Sax ended the inning with a ground out.

• *In earlier games, reports on which appeared in some Monday editions of the International Herald Tribune:*

Blue Jays 4, Brewers 1: — Dave Stieb pitched a three-hitter in Milwaukee for his first victory since back surgery, and Joe Carter homered twice for Toronto.

Stieb, who spent most of last season on the disabled list and had surgery on a disc Dec. 4, won for the first time since last May 11, against the White Sox. It was his first complete game since a eight-hitter against Milwaukee on April 19, 1991, and the 103d of his career.

Tigers 8, Athletics 4: Tony Phillips hit a three-run homer in a five-run fourth and drove in four runs as Detroit won despite Mark McGwire's major league-leading 13th homer for Oakland; it was his 18th in 36 games in Tiger Stadium.

Orioles 8, Mariners 6: Tim Hulett hit a bases-loaded triple to cap a five-run first against Seattle and Baltimore held on to win its fifth straight. Randy Milligan and Cal Ripken homered for the Orioles, who have 11 homers during their last four games in Camden Yards.

Angels 6, Indians 3: Alvin Davis and Gary Gaetti hit consecutive RBI singles off Derek Lilliquist during California's three-run ninth in Cleveland.

Alex Cole had four hits for the Indians and matched his Cleveland record with five stolen bases.

Monarchs, Following Rout, Are Out of WLAF Playoffs

The Associated Press

Davis Smith's 77-yard punt return sparked a 17-point first quarter as the New York-New Jersey Knights beat the visiting London Monarchs, 41-13, and eliminated the defending World Bowl champions from playoff contention in the World League of American Football.

The Monarchs (1-5-1) defeated the Knights on opening day but are winless since. This was the most one-sided loss of the year for London, which lost its previous four games by a total of 23 points.

Surge 35, Machine 21: In Montreal, David Archer threw for 370 yards and five touchdown, giving him nine TD passes in the last two weeks, as Sacramento won. Archer is an NFL veteran now the property of the Philadelphia Eagles.

Thunder 39, Riders 21: Glenn Rogers returned an interception 59 yards for a touchdown in San Marcos, Texas, and Efrum Thomas returned a fumble 79 yards for another score as Orlando whipped San Antonio.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Baltimore	16	8	.667	—
Toronto	17	9	.654	—
New York	14	10	.583	2
Milwaukee	12	10	.545	3
Boston	11	10	.524	3½
Detroit	9	15	.375	7
Cleveland	9	17	.346	8

West Division

	W	L	Pct.	GB
Oakland	15	10	.600	—
Texas	15	12	.556	1
Chicago	12	10	.545	1½
California	13	11	.542	1½
Minnesota	11	13	.458	3½
Seattle	10	14	.417	4½
Kansas City	4	19	.174	10

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	16	7	.696	—
New York	15	10	.600	2
St. Louis	13	12	.520	4
Philadelphia	11	13	.458	5½
Montreal	9	14	.391	7
Chicago	8	15	.348	8

West Division

	W	L	Pct.	GB
Cincinnati	13	11	.542	—
San Francisco	13	11	.542	—
San Diego	13	13	.500	1
Houston	12	12	.500	1
Atlanta	12	13	.480	1½
Los Angeles	9	13	.409	3

Sunday's Line Scores

AMERICAN LEAGUE

Kansas City 000 020 210—5 9 0
Boston 000 100 010—2 10 3
Appier, Montgomery (9) and Macfarlane; Hesketh, Bolton (8), Darwin (8) and Flaherty. W—Appier, 1-2. L—Hesketh, 0-1. Sv—Montgomery (3). HR—Kansas City, McReynolds (4).

Minnesota 110 010 010—4 10 1
New York 002 000 000—2 8 0
Erickson, Guthrie (7), Aguilera (9) and Webster; Kamieniecki, Howe (8), Monteleone (9) and Nokes. W—Erickson, 1-3. L—Kamieniecki, 0-1. Sv—Aguilera (7).

Seattle 004 000 020—6 9 1
Baltimore 510 000 11x—8 12 2
DeLucia, Powell (3), Nelson (7), Schooler (8) and Valle, Sinatro (8); Mussina, Frohwirth (8), Flanagan (8), Olson (8) and Tackett. W—Mussina, 4-0. L—DeLucia, 1-3. Sv—Olson (5). HRs—Baltimore, C.Ripken (2), Milligan (3).

Oakland 010 100 020—4 8 0
Detroit 200 500 01x—8 9 0
Moore, Nelson (7) and Steinbach; King, Doherty (8), Henneman (8) and Tettleton. W—King, 2-3. L—Moore, 4-1. Sv—Henneman (4). HRs—Oakland, McGwire (13). Detroit, Phillips (2).

California 002 100 003—6 13 0
Cleveland 001 101 000—3 11 4
Finley, Frey (6), Eichhorn (8), Bailes (8), Harvey (9) and Parrish. Nagy, Lilliquist (8), Power (9) and Ortiz. W—Bailes, 2-0. L—Lilliquist, 1-1. Sv—Harvey (8).

Toronto 000 001 030—4 11 0
Milwaukee 000 010 000—1 3 0
Stieb and Borders; Wegman, Ruffin (8) and Surhoff. W—Stieb, 1-2. L—Wegman, 2-2. HRs—Toronto, Carter 2 (4), Winfield (5). Milwaukee, Stubbs (3).

Texas 002 010 010—3 6 2
Chicago 000 110 03x—5 8 3
Brown, Rogers (8), Burns (8) and Petralli; McCaskill, Radinsky (8) and Karkovice. W—Radinsky, 1-1. L—Brown, 4-2. HR—Texas, Palmeiro (5).

NATIONAL LEAGUE

Chicago 000 010 000—1 7 0
Cincinnati 202 001 11x—7 8 0
Boskie, Patterson (6), McElroy (7), Slocumb (8) and Girardi; Rijo, Bankhead (5), Dibble (9) and Oliver. W—Bankhead, 3-0. L—Boskie, 3-2. HRs—Cincinnati, O'Neill (4), Doran (3).

New York 000 051 010—7 8 0
Atlanta 000 000 000—0 5 0
Cone and Hundley; Leibrandt, Mercker (6), Freeman (8), Pena (9) and Olson. W—Cone, 3-1. L—Leibrandt, 2-2. HR—New York, Murray (2).

St. Louis 340 000 000—7 12 0
San Diego 000 100 000—1 6 1
Tewksbury and Pagnozzi; Eiland, Clements (2), Rodriguez (6), M.Maddux (9) and Santiago. W—Tewksbury, 3-0. L—Eiland, 0-2. HR—San Diego, McGriff (8).

Philadelphia 103 115 010—12 15 0
San Francisco 000 102 000—3 6 1
C.Brantley, Schilling (6) and Daulton; T.Wilson, Burba (4), M.Jackson (5), Beck (5), Hickerson (7), J.Brantley (9) and Manwaring, Colbert (7). W—C.Brantley, 1-1. L—T.Wilson, 1-2. Sv—Schilling (2). HRs—Philadelphia, Duncan (1). San Francisco, Ma.Williams (6).

Pittsburgh 000 000 000—0 4 0
Houston 000 000 01x—1 7 0
Drabek, Mason (8) and Slaught; Henry, Boever (8), Osuna (8), D.Jones (9) and Taubensee. W—Osuna, 3-0. L—Mason, 1-2. Sv—D.Jones (7). HR—Houston, Finley (2).

Japanese Baseball

Central League

	W	L	T	Pct.	GB
Hiroshima	14	9	0	.609	—
Hanshin	15	10	0	.600	—
Yakult	14	10	0	.583	½
Chunichi	12	11	0	.522	2
Yomiuri	8	15	0	.348	6
Taiyo	8	16	0	.333	6½

MONDAY'S RESULTS
Chunichi 3, Hiroshima 2
Hanshin 5, Yomiuri 2
Yakult 2, Taiyo 1

Pacific League

	W	L	T	Pct.	GB
Kintetsu	15	8	1	.644	—
Nippon Ham	12	10	1	.544	2½
Daiei	13	11	0	.542	2½
Lotte	11	11	0	.500	3½
Seibu	11	12	0	.478	4
Orix	6	16	0	.273	8½

MONDAY'S RESULTS
Seibu 8, Nippon Ham 1
Kintetsu 12, Orix 10
Daiei 4, Lotte 3

BASKETBALL

NBA Playoffs

FIRST ROUND
(Best-of-5)
EASTERN CONFERENCE
(New York wins series 3-2)

Detroit 23 12 23 29—87
New York 19 19 25 31—94

Detroit: Rodman 1-2 0-2 2, Woolridge 5-9 2-4 12, Laimbeer 4-12 0-0 8, Dumars 4-12 3-3 12, Thomas 7-20 14-17 31, Salley 4-12 5-6 13, Aguirre 3-7 1-2 7, Walker 1-1 0-0 2. Totals 29-75 25-34 87.

New York: McDaniel 9-17 1-1 19, Oakley 0-5 0-0 0, Ewing 11-28 9-11 31, Jackson 3-8 1-2 7, Wilkins 5-7 3-5 13, Mason 1-3 3-3 5, Starks 3-13 2-4 10, Vandeweghe 0-0 0-0 0, Anthony 3-6 3-7 9. Totals 35-87 22-33 94.

3-Point goals—Detroit 4-12 (Thomas 3-5, Dumars 1-2, Salley 0-1, Laimbeer 0-2, Aguirre 0-2), New York 2-9 (Starks 2-6, Jackson 0-1, McDaniel 0-2). Fouled out—Laimbeer. Rebounds—Detroit 53 (Salley 12), New York 65 (Ewing 19). Assists—Detroit 20 (Thomas 6), New York 18 (Jackson 5). Total fouls—Detroit 28, New York 28. Technicals—Rodman, Mason. Flagrant foul—Oakley.

WESTERN CONFERENCE
(Portland wins series 3-1)

Portland 22 27 28 25—102
L.A. Lakers 18 15 23 20—76

Portland: Kersey 3-6 1-2 7, Williams 4-4 1-4 9, Duckworth 3-9 1-2 7, Drexler 7-17 12-13 26, Porter 5-13 3-3 15, C.F.Robinson 4-8 5-10 14, Ainge 6-9 4-4 19, Abdelnaby 2-4 1-2 5, Bryant 0-0 0-0 0, Whatley 0-0 0-0 0, Pack 0-0 0-0 0. Totals 34-70 28-40 102.

L.A. Lakers: Green 4-9 3-4 11, Teagle 3-13 1-2 7, Divac 2-9 2-2 6, Scott 7-14 0-1 15, Threatt 7-13 3-4 17, C.T.Robinson 0-2 0-0 0, Campbell 4-10 4-6 12, Smith 1-5 0-0 2, Brown 2-6 2-4 6. Totals 30-81 15-23 76.

3-Point goals—Portland 6-12 (Ainge 3-5, Porter 2-3, C.F.Robinson 1-1, Drexler 0-3), Los Angeles 1-5 (Scott 1-4, Divac 0-1). Fouled out—None. Rebounds—Portland 61 (Drexler 10), Los Angeles 46 (Green 14). Assists—Portland 28 (Drexler 7), Los Angeles 18 (Threatt, Scott, Divac 4). Total fouls—Portland 19, Los Angeles 27.

(Series tied 2-2)

Utah 21 29 26 31—107
L.A. Clippers 22 31 26 36—115

Utah: B.Edwards 4-11 3-6 12, K.Malone 11-18 22-24 44, Eaton 2-2 0-0 4, Stockton 5-12 3-4 16, J.Malone 8-19 2-2 18, Corbin 1-5 3-4 5, Brown 1-2 2-2 4, Benoit 2-4 0-0 4. Totals 34-73 35-42 107.

L.A. Clippers: Norman 6-12 2-2 14, Manning 12-20 9-13 33, Smith 7-13 2-3 16, Harper 11-23 4-5 26, Rivers 3-10 10-11 17, Polynice 1-2 1-2 3, J.Edwards 0-0 0-0 0, Grant 3-5 0-0 6, Vaught 0-1 0-0 0. Totals 43-86 28-36 115.

3-Point goals—Utah 4-7 (Stockton 3-5, B.Edwards 1-2), Los Angeles 1-7 (Rivers 1-3, Norman 0-1, Grant 0-1, Harper 0-2). Fouled out—None. Rebounds—Utah 40 (K.Malone 11), Los Angeles 57 (Manning 10). Assists—Utah 24 (Stockton 18), Los Angeles 27 (Norman, Grant 6). Total fouls—Utah 26, Los Angeles 29. Technical—Corbin.

HOCKEY

Stanley Cup

DIVISION FINALS
(Best-of-7)
WALES CONFERENCE
Patrick Division
(Pittsburgh leads series 1-0)

Pittsburgh 2 2 0—4
N.Y. Rangers 0 2 0—2

First Period—1, Pittsburgh, Loney 2 (Trottier, Bourque), 13:56. 2, Pittsburgh, Murphy 3 (Jagr), 15:22. Second Period—3, Pittsburgh, Stevens 4 (Lemieux, Francis), 2:00 (pp). 4, New York, King 2 (Cirella, Wells), 3:02. 5, New York, Amonte 2 (Cirella, Leetch), 10:34 (pp). 6, Pittsburgh, Francis 1 (Stevens, Lemieux), 12:08. Third Period—None.

Shots on goal—Pittsburgh (on Vanbiesbrouck) 13-9-4—26. New York (on Barrasso) 15-14-8—37.

Adams Division
(Boston leads series 1-0)

Boston 2 3 1—6
Montreal 1 2 1—4

First Period—1, Boston, Hynes 1 (Juneau, Reid), 4:09. 2, Boston, Leach 2 (Reid), 14:25. 3, Montreal, Hill 1 (Gilchrist, Muller), 16:15. Second Period—4, Montreal, Desjardins 2 (Nilan, McPhee), 5:36. 5, Boston, Poulin 1 (Hynes), 6:10. 6, Boston, Juneau 3 (Bourque), 10:38 (pp). 7, Montreal, Savard 2 (Lebeau, Dionne), 18:16. 8, Boston, Leach 3 (Reid, Oates), 18:59. Third Period—9, Montreal, McPhee 1 (Skrudland, Desjardins), 5:40. 10, Boston, Bourque 3 (Wesley, Poulin), 18:46.

Shots on goal—Boston (on Roy, Racicot) 6-12-10—28. Montreal (on Moog) 10-10-8—28.

CAMPBELL CONFERENCE
Smythe Division
(Edmonton leads series 1-0)

Edmonton 0 2 1 1—4
Vancouver 1 1 1 0—3

First Period—1, Vancouver, Courtnall 5 (Walter, Kron), 14:33. Second Period—2, Vancouver, Sandlak 4 (Lidster, Nedved), 5:59 (pp). 3, Edmonton, MacIver 1 (Murphy, Damphousse), 10:55. 4, Edmonton, Nicholls 6 (Hawgood), 15:28. Third Period—5, Vancouver, Bure 6 (Sandlak, Larionov), 12:45. 6, Edmonton, Damphousse 5 (Murphy, MacIver), 14:55. Overtime—7, Edmonton, Murphy 4, 8:36.

Shots on goal—Edmonton (on McLean) 5-10-11-6—32. Vancouver (on Ranford) 14-16-7-6—43.

World Championships

Group A
Finland 6, Italy 1
Germany 11, Poland 1

Group B
Norway 1, France 0
Russia 6, Canada 4

SOCCER

SPANISH FIRST DIVISION
Sevilla 0, Atletico Madrid 1
Barcelona 1, Real Burgos 1
Albacete 1, Real Mallorca 1
Deportivo Coruna 2, Espanol 2
Logrones 1, Real Sociedad 1
Real Madrid 2, Real Zaragoza 0
Sporting Gijon 1, Real Oviedo 0
Athletic Bilbao 2, Osasuna 1
Real Valladolid 1, Valencia 4
Cadiz 0, Tenerife 0

Standings: Real Madrid 49 points; Atletico Madrid 46; Barcelona 45; Valencia 40; Albacete and Real Sociedad 38; Real Zaragoza 35; Real Burgos and Sporting Gijon 34; Sevilla 33; Logrones and Real Oviedo 32; Osasuna Pamplona and Athletic Bilbao 29; Tenerife 28; Espanol 27; La Coruna 25; Real Valladolid and Cadiz 23; Real Mallorca 22.

DUTCH FIRST DIVISION
Standings: PSV 55 points; Ajax Amsterdam 54; Feyenoord 49; Vitesse 40; FC Groningen 39; FC Twente, MVV, Sparta and Roda JC 35; RKC 34; FC Utrecht 33; Willem II 31; FC Volendam 28; Fortuna Sittard and SVV/Dordrecht'90 25; FC Den Haag 22; Graafschap 21; VVV 12.

ENGLISH FIRST DIVISION
Standings: Leeds 82 points; Manchester United 78; Sheffield Wednesday 75; Arsenal 72; Manchester City 70; Liverpool 64; Aston Villa 60; Nottingham Forest 59; Sheffield United and Crystal Palace 57; Queens Park Rangers 54; Everton, Wimbledon and Chelsea 53; Tottenham and Southampton 52; Oldham 51; Norwich 45; Coventry 44; Luton 42; Notts County 40; West Ham 38.

FRENCH FIRST DIVISION
Standings: Marseille 58 points; Monaco 52; Paris-SG 47; Auxerre and Caen 44; Montpellier and Le Havre 42; Lens 39; Nantes 38; Saint-Etienne 37; Toulouse 36; Metz and Lille 35; Toulon and Nimes 32; Lyon and Sochaux 31; Rennes 29; Cannes and Nancy 28.

GERMAN FIRST DIVISION
Standings: Eintracht Frankfurt and VGP Stuttgart 47 points; Borussia Dortmund 46; Bayer Leverkusen and FC Nuremberg 41; FC Kaiserslautern 40; FC Cologne 39; Karlsruhe SC and Werder Bremen 37; Bayern Munich 34; Monchengladbach, FC Dynamo Dresden and Hamburg SV 32; VFL Bochum 31, Schalke 04 30; SB Wattenscheid and FC Hansa Rostock 29; Stuttgart Kickers and MSV Duisbourg 28; Fortuna Dusseldorf 22.

ITALIAN FIRST DIVISION
Standings: AC Milan 51 points; Juventus 45; Napoli 39; Torino 37; Parma, Roma and Internazionale 34; Sampdoria 33; Lazio 32; Foggia and Atalanta 31; Fiorentina and Genoa 29; Cagliari 27; Bari 21; Verona 20; Cremonese 17; Ascoli 14.

FOOTBALL

WLAF

European Division

	W	L	T	Pct.	PF	PA
Barcelona	5	2	0	.714	94	84
Frankfurt	2	5	0	.286	110	147
London	1	5	1	.214	117	162

North American East Division

	W	L	T	Pct.	PF	PA
Orlando	6	1	0	.857	202	93
N.Y.-N.J.	3	4	0	.429	157	134
Montreal	2	5	0	.286	125	165
Ohio	1	6	0	.143	68	143

North American West Division

	W	L	T	Pct.	PF	PA
Sacramento	5	2	0	.714	151	117
San Antonio	5	2	0	.714	114	109
Birmingham	4	2	1	.615	118	102

SUNDAY'S RESULTS
Orlando 39, San Antonio 21
New York-New Jersey 41, London 13
Sacramento 35, Montreal 21

TENNIS

Davis Cup

EURO-AFRICAN ZONE, GROUP II
First Round
CIS 3, Portugal 2

Joao Cunha e Silva and Nuno Marques, Portugal, def. Andrei Cherkasov and Vladimir Gavrichkov, 4-6, 6-2, 6-4, 4-6, 7-5; Cherkasov def. Cunha e Silva, 6-4, 6-3, 6-7 (4-7), 6-3; Andrei Chesnokov def. Bernardo Mota, 7-6 (7-4), 6-4, 6-1.

Ivory Coast 3, Togo 2

Gerard Gbedey, Togo, def. Clement N'Goran 3-6, 4-6, 6-2, 7-6 (7-5), 6-1; Ilou Lonto, Ivory Coast, def. Didier Kunkel 5-7, 6-2, 6-4, 6-7 (5-7), 6-1.

TRANSACTIONS

BASEBALL
American League

CLEVELAND—Bought contract of Craig Worthington, third baseman, from Colorado Springs, Pacific Coast League. Optioned Jesse Levis, catcher, to Colorado Springs.

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ART BUCHWALD

Cleaning Up the Air

WASHINGTON — The White House is divided on the president's environmental policies, especially the Clean Air Act of 1990. On one side is William Reilly of the Environmental Protection Agency who wants to enforce strict regulations regarding our air and water. On the other side is Vice President Dan Quayle, representing the business community, who wants to abolish the regulations and let industry police itself. Guess who is going to win?

Buchwald

I thought I had my mind made up on the issue until I talked to Dolph Sand, the lobbyist for the Live and Let Live Anti-Environment Protection Association. When I saw him in his office he was faxing voting instructions to friendly congressmen and senators.

"My message is that if America wants to have clean water and clean air, the public has to stop bugging industry all the time."

"It sounds like a good policy on paper, but the people need more assurance that they won't die from pollution."

"Industry is the only one who knows what it is polluting and how much," Dolph explained. "Therefore we are the only people in a position to say enough is enough."

"Suppose you never say it?" I asked.

"The administration has much more faith in our factories and plants than you do. Let me give you an example of how things would operate if you abolished the onerous regulations imposed by the naysayers and the do-gooders. Suppose a large factory is emitting residue in the air from its smokestacks which could be poisoning Disney World. Under EPA regulations, the plant would be fined and expensive scrubbers installed — the cost of which would eventually be charged to the consumer. It's no way to run a business.

□

"Now, if industry was in charge, here's how we would handle it. One of our CEOs, let's call him Doodles, will go over and have lunch with Stucky. He will say, 'Oh, by the way, Stucky, I noticed some funny black stuff belching out of your chimneys which smelled awful.'

"Stucky will respond, 'That's nice of you to tell me because I was wondering if that smell had something to do with the plastics we're making or with my dog dying. I've been wanting to fix the furnace for a long while, but every time I suggest it my board says that it will have to come out of my bonus. Did you notice anything that might indicate the smoke was hurting the environment?'

"'I only noticed that there were no birds in the area and there are a lot of dead squirrels on the ground,' Doodles tells him.

"'I don't think they died from the smokestacks. My environmental experts tell me that the squirrels have been dying from drinking the water around the plant.'

"'You mean that you have an air *pollution* and a water *pollution* problem at the same time?'

"'Doesn't everybody? I tell you what I'm going to do. If the EPA makes a big deal of it I'll take them to court for years — but if they don't bug me I'll do something about the situation.'

"'That's what Dan Quayle wants to hear.'"

I asked Dolph if it was hard to sell his handling of pollution to the politicians?

He replied, "Not during an election year."

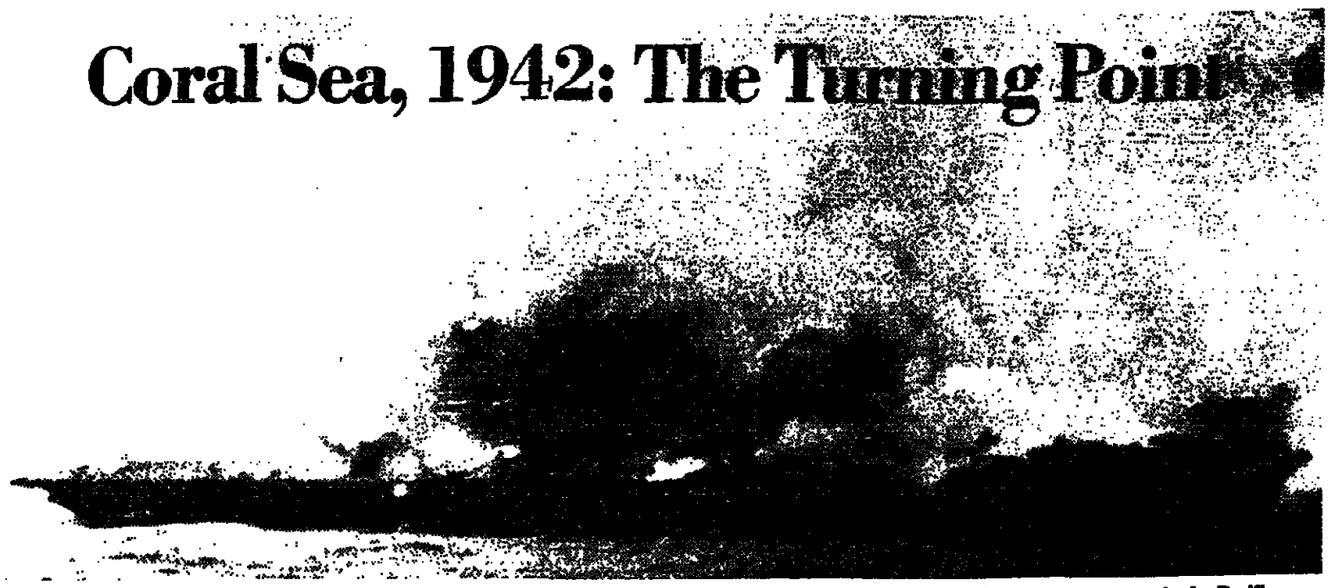
Joffrey Ballet Postpones Los Angeles Opening

The Associated Press

NEW YORK — The Joffrey Ballet is postponing its opening in Los Angeles because of the riots that engulfed the city. "With the continuing unrest, we are forced to face the realities of this tragic situation," the artistic director, Gerald Arpino, said. "Los Angeles remains our home and we are committed to doing everything in our power to share in the healing process."

The ballet, based in both New York and Los Angeles, intended to begin a month's engagement starting Saturday at the Wiltern Theatre in Los Angeles. Instead the opening was postponed nearly two weeks to May 22.

Coral Sea, 1942: The Turning Point



The U. S. carrier Lexington damaged and sinking on May 8, 1942. Despite this loss, the battle of the Coral Sea stopped the Japanese advance in the Pacific.

By Michael Richardson
International Herald Tribune

SYDNEY — As midshipman of the watch on the open bridge of the cruiser Australia, John Goble had a clear view of Japanese aircraft as they attacked just after 3 P. M. on May 7, 1942, in the Coral Sea southeast of New Guinea.

About eight bombers skimming low each fired a torpedo toward the Australian warship, which evaded them by skillful maneuvering. Ten minutes later, a wave of Japanese aircraft at about 20,000 feet (6,000 meters) swept over the Australia, its sister cruiser the Hobart, and their escort of U. S. destroyers.

"Just when I had finished counting the aircraft, I noticed some other black blobs in the sky. It was the bombs starting to fall," recalled Goble, who later became a senior naval officer. The bombs narrowly missed the Australia, but the explosions threw up walls of water and spray that hid the 10,000-ton cruiser for more than a minute.

The Japanese thought that the Australia had been mortally wounded. On their return to base at Rabaul on New Britain, Japanese pilots reported that they had sunk one battleship and damaged a second as well as a cruiser.

As a result of these inaccurate reports, no further Japanese air strikes were launched against the American-Australian task force that had been sent to block a Japanese amphibious assault from the direction of Rabaul against Port Moresby, on the south coast of New Guinea. The Japanese commander ordered the invasion force to reverse course while the "battleship" sightings were clarified.

These mistakes were typical of many misidentifications, communication delays and other problems that plagued both sides in the battle of the Coral Sea from May 4 to 8, 1942, when radar and electronic warfare were in their infancy.

Yet, as Australians and Americans mark the 50th anniversary of the battle — including a visit to Australia by U. S. Defense Secretary Dick Cheney and a U. S. aircraft carrier task force — historians and military analysts agree that it marked a turning point in the Japanese drive for supremacy in Asia and the Pacific.

The Coral Sea conflict was the first in which Japanese naval forces — after unbroken success since attacking Pearl Harbor and Southeast Asia in December 1941 — failed in a key operation, said Chris Coulthard-Clark, author of a recently published book on the battle.

Coral Sea was also the first major battle of the war involving the U. S. and Japanese fleets. Each committed several aircraft carriers. In the two days of fighting between the rival carrier task forces on May 7-8, the damage was inflicted by planes. The surface vessels did not sight each other in combat. It was the prototype for future air-sea battles.

Fighting in June 1942 in the mid-Pacific off Midway Island between Japanese and U. S. naval task forces spearheaded by aircraft carriers was to prove strategically more decisive, causing losses to Japan that effectively ended its hopes of naval dominance in the Asia-Pacific region.

"But this in no way diminishes the fact that it was at Coral Sea that Japanese ambitions were first blunted, and the foundations of the Midway victory laid," said Coulthard-Clark.

Japan lost a light carrier, the Shoho, in the Coral Sea battle, and its two large carriers, Shokaku and Zuikaku, were so badly damaged that they were not available for Midway. The Lexington, one of two American carriers sent to the Coral Sea, was sunk with many of its 72 aircraft, but the Yorktown limped back to Pearl Harbor with its planes. It was quickly repaired in time to be sunk at Midway.

The battle of the Coral Sea occurred at a critical time for Australia and the United States. Nearly 15,000 Australian troops had been captured when Singapore fell to the Japanese in February 1942. Indonesia, then a Dutch colony, fell shortly after.

In February, at about the same time as Japanese troops seized Rabaul and northern New Guinea, Japanese aircraft began bombing Darwin and other cities in northern Australia, spreading fears of invasion. With the United States unable to hold on in the Philippines and General Douglas MacArthur forced to withdraw to Australia, Japanese commanders decided to capture Port Moresby — only 350 miles from the Australian coast. Tulagi in the Solomon Islands, New Caledonia, Fiji, Samoa and rich phosphate deposits on Nauru.

The aim was to extend and strengthen the Japanese defense perimeter in the southwest Pacific to protect Japan's empire in Asia from counterattack. Tokyo also wanted to cut the sea lines between Australia and the United States to forestall American use of Australian bases and airfields as a springboard into Asia and the Pacific islands.

By thwarting these objectives, the Coral Sea battle, although inconclusive, marked the start of the turn in the tide of war in the Pacific. The planned seaborne invasion of Port Moresby was abandoned, and with it any plans to invade Australia.

Fear of invasion in early 1942 and the collapse of British power in the Far East, had prompted John Curtin, Australia's wartime prime minister, to turn to the United States for help. The Coral Sea battle laid the basis for a military alliance between the two countries that, despite periodic strains and differences of interest, has remained a cornerstone of Australian foreign policy.

The relationship "has been fundamental to Australia's sense of security," said Peter J. Dennis, head of the history department at the Australian Defense Force Academy in Canberra.

The battle marked the start of Japan's eventual wartime defeat and postwar reconciliation with both the United States and Australia. In this context, the history of the first six months of the Pacific war is a paradox, in the view of Roger Dingman, associate professor of history at the University of Southern California.

The combatants, he said, "used new technologies to transcend enormous distances in an effort to render their separate nations more secure." But the fighting of the Pacific war, intended to keep nations apart, "destroyed the political and psychological distance that had separated them in the past," Dingman added.

PEOPLE

$200,000 Paid for Ball Ruth Hit for Record (?)

A ball that Babe Ruth may or may not have hit for the 60th home run of his record-setting 1927 season, sold for $200,000 at an auction in San Francisco. The auctions firm is convinced the ball is the one Ruth hit on Sept. 30, 1927, but the Baseball Hall of Fame in Cooperstown, New York, says it has the real one. The auctioned ball has the number 60 written next to Ruth's signature. It was signed by other New York Yankees and the Washington pitcher Tom Zachary, who gave up the homer. George Siegel of Ellenwood, Georgia, said his father, as a 14-year-old, caught the ball in the right-field bleachers of Yankee Stadium. It was sold to an anonymous buyer on a phoned bid. Also sold were a bat Ruth used for $30,000 and a jersey worn in 1954 by Hank Aaron for $137,500.

□

The rock singer David Bowie, 45, has married the Somalia-born fashion model Iman, 36, in Lausanne, Switzerland, a city official there said. Michel Perret said he supervised the brief city hall ceremony April 24 in the city on Lake Geneva, where Bowie has a house.

□

China's king of rock 'n' roll, Cui Jian, is scheduled to give his first officially sanctioned concerts in two years later this month, with profits going to a government education program. Cui will give three concerts in Nanjing May 12 to 14, the city's Weekend newspaper said. Cui's concerts are frequently banned, and his politically charged lyrics have captured the spirit of China's disenchanted youth. He played a few songs to the Tiananmen Square hunger strikers during the pro-democracy movement in 1989, and his "Nothing to My Name" was an anthem of the student demonstrators.

□

The oceanographer and biologist Jacques-Yves Cousteau is France's most popular person, according to a weekly newspaper's poll. Cousteau, 81, with 56 percent, edged the Abbé Pierre, a 79-year-old priest who has devoted his life to the homeless, with 52 percent favorable mention, and a TV journalist, Anne Sinclair, with 32 percent, according to the Journal du Dimanche and the polling firm IFOP. President François Mitterrand ranked 30th, with 16 percent.

PERSONALS

We all have to die. Thomas

SACRED HEART OF JESUS Thanks for everything. N.E.

THANK YOU SACRED HEART of Jesus and St. Jude for prayers answered. R.H.H.

THANK YOU SACRED HEART of Jesus and St. Jude for answering my prayers. SDB

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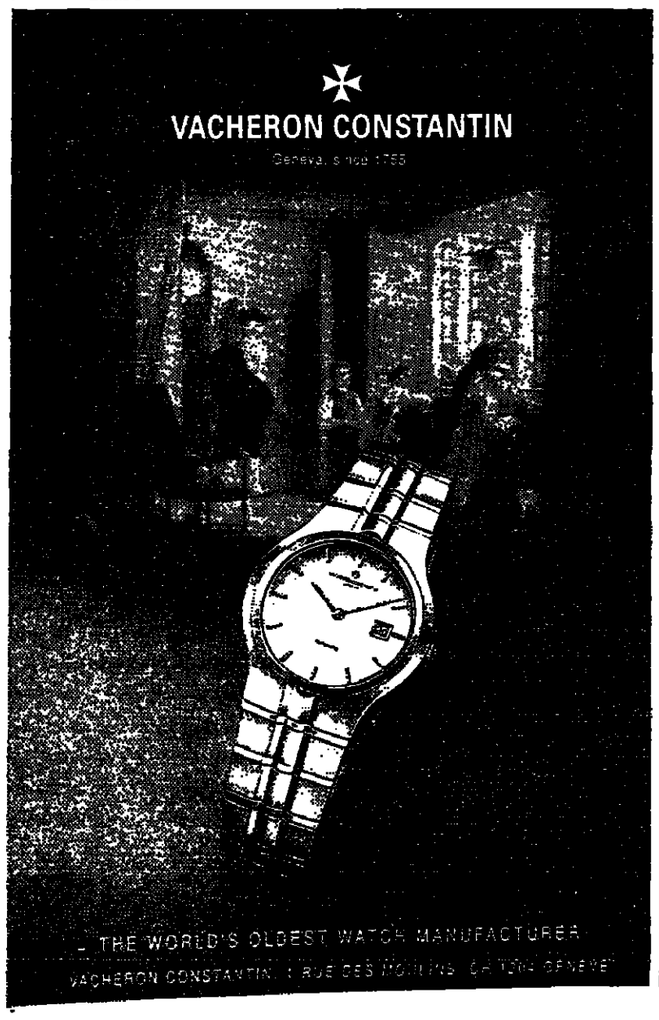

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